Business Services
Program Review

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FEATHER RIVER COMMUNTIY COLLEGE DISTRICT

BUSINESS SERVICES

Program Review

Mission

The mission of the Feather River Community College District's Business Services Department is to help facilitate communication and coordination of the annual budget development cycle, as well as monitoring and analysis of ongoing budgeted revenues and expenditures. The Business Services Department provides accurate and timely information/data that is supported by documented policies and procedures. Practices are supportive to the District and consistently applied in the decisions and interpretations of operational business practices. Services provide budgetary, financial and fund accounting, purchasing, payroll, bookkeeping, bookstore operations, food service operations, switchboard and duplicating center.

Organizational Chart (See Appendix A)

The Chief components of the Business Services Department consist of the following positions:

Chief Financial Officer

- Chief Accountant
- Purchasing Agent
- Payroll Officer
- Administrative Assistant/Bookkeeper
- Bookstore Manager
- Food Service
- Switchboard Operators
- Duplicating Center

Responsibilities

The Business Office is comprised of services that address financial responsibilities as well as general services provided to the entire campus. The major responsibilities are listed below and represent significant duties for each area of the Business Services organization.

- Chief Financial Officer:
  - The Business Services Department provides complete accounting services for the District.
  - The services include the financial development of budgeted resources for all funds.
- Administrative Assistant/Bookkeeper
  - Supports and assists the Chief Financial Officer.
  - Provides accurate receipt of funds.
  - Bookkeeping Services for Bookstore, ASB, and Clearing funds.
- Chief Accountant:
  - Assist the financial development of budgeted resources which include budget augmentations, transfers, journal entries and recording of financial transactions.
  - Provide accurate input and reporting of all categorical funds and corresponding transactions.
- Purchasing:
  - Provide accurate and timely payment of all financial obligations of the District.
  - Purchase quality materials within the budget constraints according to laws, policy and procedures.

    - Maintain accurate physical inventory of the District's assets.
- Payroll Officer:
    - Provide accurate and timely payment of all employees.
- Bookstore:
    - Provide books, miscellaneous supplies, clothing apparel, and Post Office services, to all students, employees and visitors at the campus.
- Food Services
    - Provide nutritious meals to students and staff at affordable prices for breakfast and lunch in a clean and healthy environment.
- Switchboard:
    - Provide professional communications of inquiries as well as mail services for the campus.
- Duplicating Services:
    - The Duplicating Center provides the necessary support for faculty and staff, meeting copying and publication needs in a timely and cost effective manner.

Factors in Determining Success

1. Fiscal Stability

   Assist the Superintendent/President with the overall budget development and implementation in all financial aspects of the campus. Provide adequate yearly financial audit results (see Appendix B). Provide accurate and timely monthly reports of financial results.

2. Professional Development

   All Business Service employees are provided adequate professional development based on the availability of adequate funding. (See Appendix C) Training is based on identified skills that can potentially increase effectiveness in job responsibilities as well as advancement potential.

3. Reliability of Payroll

   Provide accurate and timely reporting related to Faculty, Classified, Students, Associate Faculty, and Administration monthly earnings and deductions. Accurate monthly payment of all employees.

4. Purchasing

   Insure that all procurement policies and procedures are adhered to and that purchases are consistently made in regards to quality and costs. Purchases and reimbursements are made in a timely and accurate manner insuring that pricing is consistent with federal, State and District policies. Purchase orders and the issuance of warrants meet all required deadlines. (See Appendix D)

5. Accounting

   Insure that all financial information is reported in a timely and accurate manner.

Measures of Quality

1. Provide a fiscal operating budget for the Superintendent/President that meets state requirements as presented by the Strategic Planning and Budget Committee recommendations. The balanced budget will be implemented in the time period required for Board approval and state submission.
2. Budget augmentation and transfers will be properly approved and documented, as well as timely recording and distribution of results.
3. The financial operation of the college will be conducted with timely audited financial reporting.
4. Provide accurate payroll results on a monthly basis, which includes all reporting and distribution. Payroll input will not exceed budgeted expenditures.
5. Assist in providing timely and accurate student account balances related to financial aid check distribution, parking citations and miscellaneous receipt of funds.
6. Purchase orders created will meet all requirements related to contractual obligations of the District.
7. All warrants created for disbursements will meet timely payments per vendor terms and conditions, consistent with the cash flow position of the District.
8. Bookstore purchases will be consistent with faculty requests, insuring quality books and materials which provide value to the students.

9. Switchboard operations are staffed with trained, professional, and knowledgeable individuals who provide adequate coverage.

10. Food services provide nutritious foods and value to all students and staff including a meal plan.

11. The Duplicating Center will provide consistent and quality services to all employees, by providing same or next day copy requests and delivery.
12. Financial statements and reports are timely and represent accurate financial information.

Variables Affecting Student Learning

1. Maintain availability/office hours to adequately serve students.
2. Maintain updated insurance coverage for property & liability, student insurance, as well as workers compensation.
3. Assist in maintaining accurate and timely student account information.
4. Accurate and timely disbursement of student funds.
5. Maintain appropriate records of all one-time funds.
6. Adequate food services for students and campus staff.
7. Provide complete bookstore services to students, faculty, and staff.

Three Year Plan

The following are the projected major points of priority and concentration for the following three years. These projected priorities will require complete support and will utilize all resources of Business Services. The implementation of new financial software, all phases of the new Library/Technology Center, and the complete documentation of desk procedures, will require significant commitment and focus by all staff members.

FY 11

- Assist in the continued review and modifications/updates of the Strategic Plan.
- Support accreditation process in regards to the District budget process by providing clarity and accuracy related to revenues and expenditures in detail by fund balances.

- Assist in the development and tracking of the integration of Strategic Planning and Budget processes.

- In collaboration with the Facilities Department support the preparations for beginning of remodel of the Multi-purpose Building upon state voter approval of construction bond. This would include insurance compliance, negotiations with contracts, in meeting state, local and District policies, procedures, and requirements.

- Continue departmental documentation of all desk procedures reducing the exposure of interrupted services.

- Continue learning and updating all aspects of the financial and payroll software which include the implementation and updating to the Banner 8 system.

- Complete all audit requirements by due dates and have completed audit finalized for financial statements and supporting schedules by the end of the calendar year. Address and correct any deficiencies as presented in audit recommendations and findings related to Business Services responsibilities.

- Evaluate funding sources that have the opportunity to improve facilities and development, such as alternate energy sources.

FY 12

- Complete the successful implementation of the upgrade to Banner 8 system, which includes both finance and payroll.
- Review budget development processes and implement any process changes to support and maintain the integrated process between planning and budget.
- Provide assistance in the reviewing and updating the Master Facilities Plan.
- Continue cross training of Business Office positions as desk procedures have been documented and completed.
- Support the remodel of the Multi-purpose Building, providing the required accounting and payment of funds.

FY 13

- Continue departmental documentation of all desk procedures in the Business Services Department.
- Complete updated Business Services Program Reviews.
- Complete cross training of Business Office positions.
- Provide assistance in the District's request for State funding of a new instructional building.

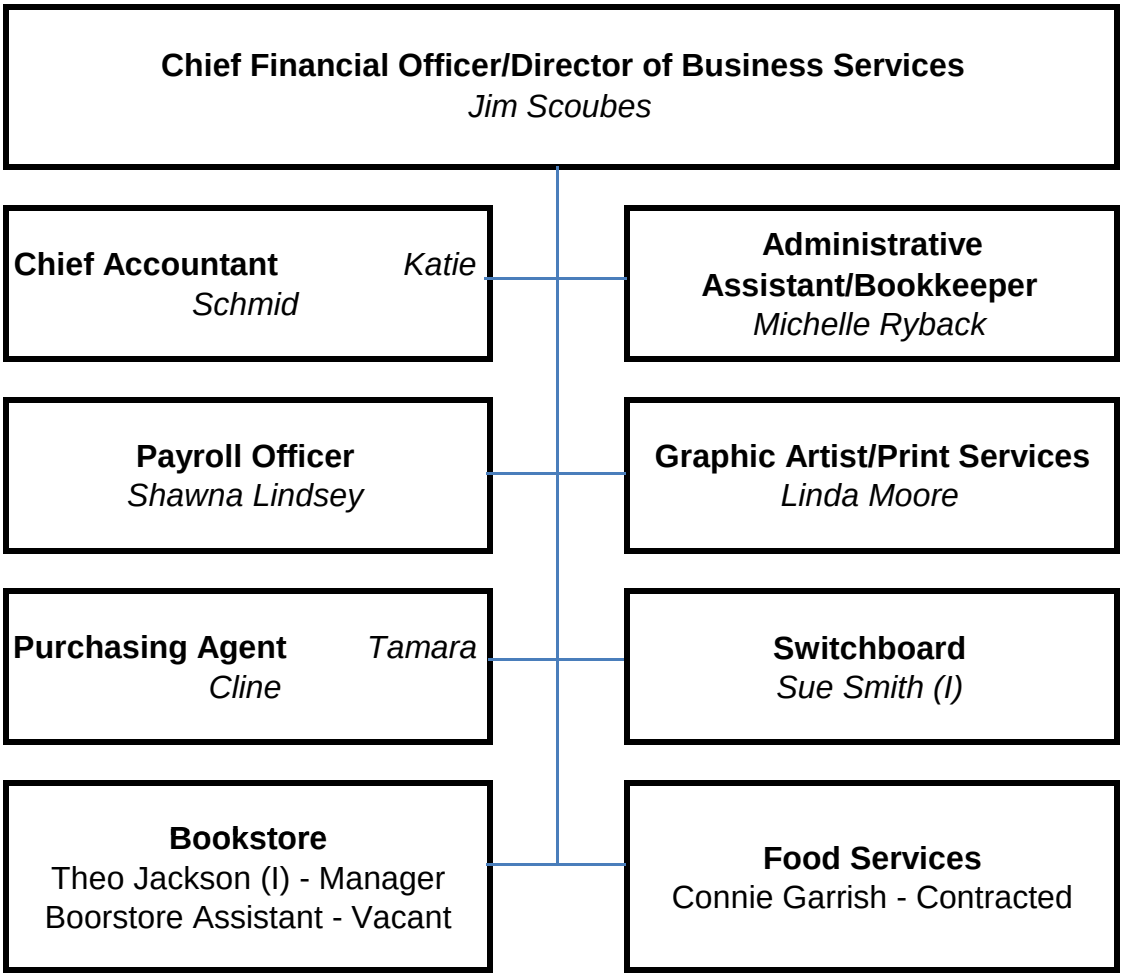
FEATHER RIVER COLLEGE
BUSINESS SERVICES

PROGRAM REVIEW

APPENDIX A

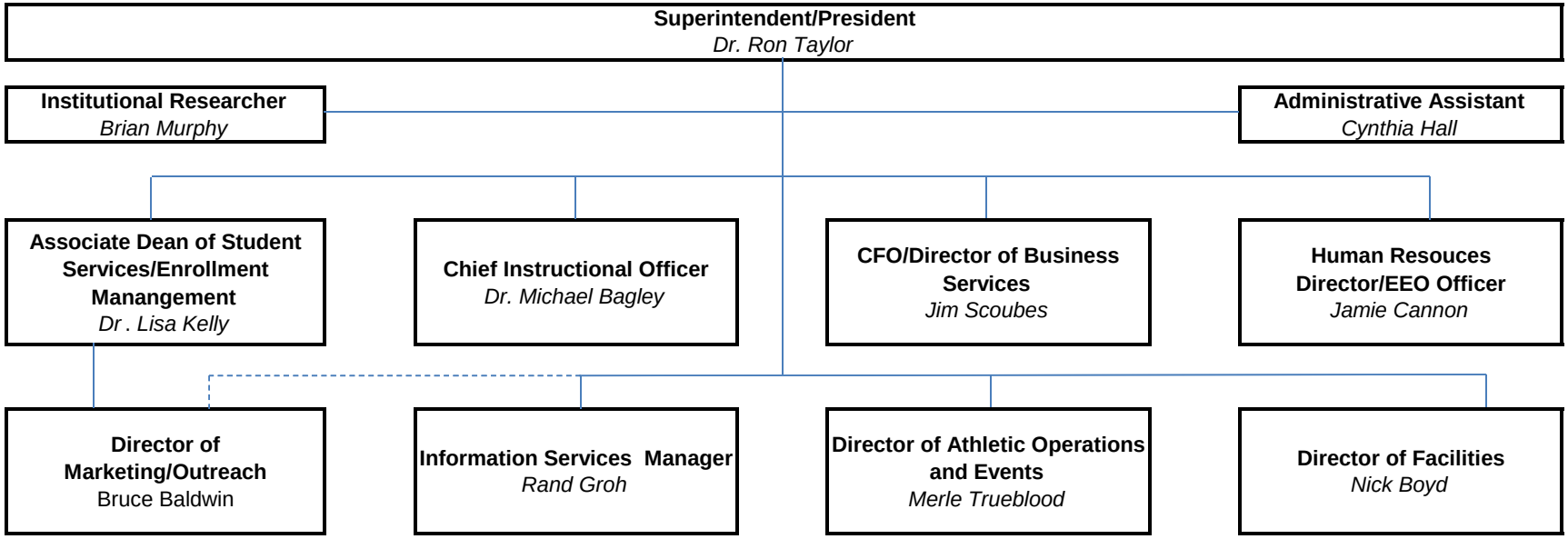
ORGANIZATIONAL CHART

FEATHER RIVER COLLEGE
BUSINESS SERVICES



Note: "I" signifies an interim or temporary employee
Organizational Chart is only current as of October 5, 2010

FEATHER RIVER COLLEGE
SUPERINTNENDENT/PRESIDENT'S STAFF



Note: "I" signifies an interim or temporary employee
Organizational Chart is only current as of October 5, 2010

FEATHER RIVER COLLEGE
BUSINESS SERVICES

PROGRAM REVIEW

APPENDIX B

INDEPENDENT AUDITOR'S REPORT

PERRY-SMITH
THE POWER OF CONFIDENCE

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Feather River Community College District
Quincy, California

We have audited the basic financial statements of Feather River Community College District as of and for the year ended June 30, 2009, and have issued our report thereon dated February 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Feather River Community College District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Feather River Community College District's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of Feather River Community College District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Feather River Community College District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Trustees, District management, and the Federal and State awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Perry - Smith LLP

Sacramento, California
February 18, 2010

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
Feather River Community College District
Quincy, California

Compliance

We have audited the compliance of Feather River Community College District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Feather River Community College District's major federal programs are identified in the accompanying schedule of federal financial assistance. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Feather River Community College District's management. Our responsibility is to express an opinion on Feather River Community College District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Feather River Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Feather River Community College District's compliance with those requirements.

In our opinion, Feather River Community College District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

(Continued)

Internal Control Over Compliance

The management of Feather River Community College District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Feather River Community College District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Feather River Community College District's internal control over compliance.

A control deficiency in the District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the District management, Board of Trustees, and the Federal and State awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Perry-Smith LLP

Sacramento, California
February 18, 2010

FINDINGS AND RECOMMENDATIONS

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS

June 30, 2009

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	_____Yes	__X__No
Significant deficiency(ies) identified not considered to be material weakness (es)?	__X__Yes	_____None reported
Noncompliance material to financial statements noted?	_____Yes	__X__No

FEDERAL AWARDS

Internal control over major programs:		
Material weakness(es) identified?	_____Yes	__X__No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____Yes	__X__None reported
Type of auditor's report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	_____Yes	__X__No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.032, 84.033, 84.063, 84.376	Student Financial Aid Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000	
Auditee qualified as low-risk auditee?	_____Yes	__X__No

STATE AWARDS

Internal control over state programs:		
Material weakness identified	_____Yes	__X__No
Significant deficiency(ies) identified not considered as material weakness	_____Yes	__X__No
Type of auditor's report issued on compliance for state programs	Qualified	

1. STATE COMPLIANCE – GENERAL APPORTIONMENT

Criteria

Compliance

Condition

- Apportionment Indicators, Audit Indicator and related check boxes on registration status codes on the Course Registration Status Code Validation form have been not been properly updated.
- Concurrent high school students have not been set up on General Student form with student type 'Y'.
- Concurrent high school enrollment students were improperly classified as repeats.
- The annualizer calculation was not performed using the Academic Year Apportionment Annualizer form. Instead, an estimated annualizer was utilized without benchmarking against the Academic Year Apportionment Annualizer calculated figures.
- Whenever a student is to be excluded from apportionment for any reason, the exclusion codes are not being cleared each time the procedure is being performed.
- Banner improperly included enrollment after census date in apportionment.
- Banner improperly included course repetitions causing overstatement in apportionment.
- The course hours and attend code need to be reviewed and verified for all courses.
- Banner configuration to address enrollment withdrawals was not set up properly (applicable to prior terms).
- Enrollment changes were not properly backdated when entered into the system due to clerical errors (applicable to prior terms).
- Banner improperly included students of cancelled courses, causing overstatement in apportionment (manual disenrollment procedures required).

Effect

The District was not in compliance with State compliance guidelines.

Cause

- The District did not fully configure the Banner CCFS-320 reporting module.
- Staff did not receive effective training related to the subsystems relied upon by the Banner CCFS-320 reporting module.
- The District did not perform adequate report validation procedures to identify issues related to the implementation of the CCFS-320 Reporting module within the Banner system.

1. STATE COMPLIANCE – GENERAL APPORTIONMENT (Continued)

Fiscal Impact

No fiscal impact as the District had already reached its growth cap.

Recommendation

- A full review of the Course Registration Status Code Validation form needs to be performed.
- Validation procedures/scripts need to be performed to ensure concurrent high school students have been properly classified. Education Level Code Validation codes and description need be properly configured.
- Concurrent high school enrollment students should not be improperly classified as repeats.
- Use the Academic Year Apportionment Annualizer Form to calculation the apportionment annualizer and compare to overridden estimate. Differences should be understood and supported.
- Exclusion codes should be cleared each time the procedure is performed.

Corrective Action Plan

The District is changing the software settings, reporting procedures and establishing a review process to implement the recommendations.

2. STATE COMPLIANCE – GENERAL APPORTIONMENT

Criteria

Compliance

Condition

The Second Period Apportionment contained the following exceptions:

- Contact hours of both state residents and nonresidents were not included during the April 16, 2009 to June 30, 2009 period.
- Estimates of contact hours for summer intersession courses were improperly calculated.

Effect

The District's reported FTES is understated.

2. STATE COMPLIANCE – GENERAL APPORTIONMENT (Continued)

Cause

Controls have not been properly implemented to ensure that the Second Period Apportionment Report is properly reviewed prior to filing with the Chancellor's Office.

Fiscal Impact

The impact is a calculated understatement of state resident FTES of 48.26 and nonresident FTES of 1.03; however, the District had previously reached its growth cap.

Recommendation

The District will need to revise its Apportionment Report with corrected figures.

Corrective Action Plan

The District will revise the Apportionment Report.

3. STATE COMPLIANCE – CONCURRENT ENROLLMENT OF K-12 STUDENTS IN COMMUNITY COLLEGE CREDIT COURSES

Criteria

Education Code, Sections 48800(a), 48800.5, 76300, and 76001(d), special part-time K-12 students are enrolled in no more than 11 units per semester and the district has obtained verifications from K-12 school district that the student can benefit from advanced or vocational work.

Condition

- The District has one full-time student classified as concurrently enrolled.
- The District did not obtain the proper approvals from the K-12 school district for two students.

Effect

The District was not in compliance with State compliance guidelines.

Cause

- The District did not remove a student from concurrently enrolled status upon graduation from high school.
- Controls have not been properly implemented to ensure student files are properly reviewed before students are allowed for classes.

3. STATE COMPLIANCE – CONCURRENT ENROLLMENT OF K-12 STUDENTS IN COMMUNITY COLLEGE CREDIT COURSES (Continued)

Fiscal Impact

Due to this being an isolated incident, the fiscal impact for this error is $430.

Recommendation

- The District should review students marked as concurrently enrolled to determine if they are high school students or full-time college students to ensure proper classification.
- Student files should be reviewed prior to allowing students to register for classes to ensure students have all required approvals.

Corrective Action Plan

The District will implement procedures to review all special full-time students to determine if students are properly classified and student files have all required approvals.

4. SIGNIFICANT DEFICIENCY – CONSTRUCTION IN PROGRESS

Criteria

District management is responsible for the design and operation of internal control over financial reporting. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when a control necessary to meet the control objective is missing, or when an existing control is not properly designed so that, even if the control operates as designed, the control objective is not always met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential, will not be prevented or detected by the District's internal control.

Condition

The District did not capitalize construction in progress expenditures relating to the Library Resource Center project during the 2007/2008 fiscal year.

4. SIGNIFICANT DEFICIENCY – CONSTRUCTION IN PROGRESS (Continued)

Effect

The beginning balance for fixed assets and net assets are understated.

Cause

The District did not capitalize the construction in progress expenses associated with the planning phase of the Library Resource Center.

Fiscal Impact

Fixed assets and net assets are understated by $617,500.

Recommendation

The District will need to capitalize $617,500 and ensure any expenses associated with the Library Resource Center are properly capitalized as construction in progress.

Corrective Action Plan

The District will capitalize all expenses associated with the Library Resource Center in the fixed asset system.

5. INTERNAL CONTROLS – BANK RECONCILIATIONS

Criteria

Internal Controls – Safeguarding of Assets

Condition

Reconciliations of the District's Cash in County Treasury, General Clearing, Bookstore, and Financial Aid bank accounts were not prepared and reviewed in a timely manner.

Effect

Funds are at risk of being misappropriated.

Cause

Due to the implementation of Banner, the District was unable to prepare and review reconciliations in a timely manner.

Fiscal Impact

Not determinable.

5. INTERNAL CONTROLS – BANK RECONCILIATIONS (Continued)

Recommendation

Reconciliations should be prepared in a timely manner and reviewed by an independent person.

Corrective Action Plan

The District agrees with the recommendation and intends to consciously enforce practices that will have reconciliations prepared and reviewed in a more timely manner.

6. INTERNAL CONTROLS - BOOKSTORE

Criteria

Internal Controls – Safeguarding of Assets

Condition

- Purchase orders placed by the bookstore are not reviewed by supervisory personnel or the business office prior to issuance to the vendor.
- Bookstore inventory was overstated by one unit for travel mugs. In addition, costs per inventory listing did not match the cost per invoice for two other inventory items.
- Register tapes for the month of June used to agree to total cash received were not maintained for the month of June.

Effect

Funds are at risk of being misappropriated.

Cause

Effective internal controls have not been effectively designed or implemented.

Fiscal Impact

- Not determinable.
- Error extrapolation was deemed immaterial to the population as a whole.
- Not determinable.

6. INTERNAL CONTROLS – BOOKSTORE (Continued)

Recommendation

- All bookstore purchase orders should be reviewed and approved by the Business Services Department prior to issuance to the vendor.
- Proper controls should be implemented for inventory counts to be performed accurately and completely. All invoices should be reviewed and recorded properly on the inventory listing.
- Register tape should always be used during the sale of bookstore items.

Corrective Action Plan

- Controls will be implemented to have the Business Services Department approve purchase orders requested by the Bookstore prior to the issuance to the vendor.
- Controls will be implemented to perform accurate inventory counts.
- Controls will be implemented to ensure a register tape is always used for the sale of bookstore items.

7. INTERNAL CONTROLS – ASSOCIATED STUDENT BODY

Criteria

Internal Controls – Safeguarding of Assets

Condition

There is no review or approval of revenue producing activities for student clubs and the sub-receipt books given to the clubs are not tracked.

Effect

There exists the risk that funds could potentially be misappropriated.

Cause

Internal controls have not been effectively designed and implemented.

Fiscal Impact

Not determinable.

Recommendation

Formal procedures should be implemented for approval of revenue producing activities in order to mitigate the risk of misappropriation of associated student body funds. The associated student body should utilize sub-receipt books for all sales and submit receipts with all cash funds when turned into the business office.

STATUS OF PRIOR YEAR

FINDINGS AND RECOMMENDATIONS

7. INTERNAL CONTROLS – ASSOCIATED STUDENT BODY (Continued)

Corrective Action Plan

A formal approval process for revenue producing activities will be implemented. In addition a sub-receipt system will be implemented to support cash deposits.

8. INTERNAL CONTROLS – FIXED ASSETS

Criteria

Internal Controls – Safeguarding of Assets

Condition

Two of the fixed asset additions selected for testing did not properly include tax or installation fees as a capitalized cost of the asset.

Effect

Fixed assets are understated.

Cause

Internal controls have not been effectively designed and implemented.

Fiscal Impact

The extrapolated error resulted in a fiscal impact of $11,262.

Recommendation

Formal procedures should be implemented for ensuring all taxes and installation fees are included as a capitalized cost of the asset.

Corrective Action Plan

The District agrees with the recommendation and will ensure fixed asset additions are properly recorded.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

June 30, 2009

Findings	Recommendations	Current Status	District Explanation if Not Fully Implemented
State Compliance – Concurrent Enrollment of K-12 Students in Community College Credit Courses			
• The District did not assess enrollment fees for special full-time students who exceeded 11 semester units. • The District has two full-time students classified as concurrently enrolled.	• The District should assess enrollment fees when special full-time students exceed 11 semester units. • The District should review students marked as concurrently enrolled to determine if they are high school students or full-time college students to ensure proper classification.	Not implemented.	See current year finding No. 3.
Significant Deficiency – Internal Controls			
Three instances were noted where the ending general ledger account balance did not reflect the proper account balances:			
• The reconciled balances for the General Fund clearing account and Bookstore cash accounts did not agree to the general ledger account balances due to seven-teen back-dated checks that totaled approximately $15,000.	• The Bookkeeper should never backdate checks and the following review procedures should be implemented by the Chief Accountant and Director of Fiscal Services: • Prior to completion of the fiscal reporting process, the cash balances reflected in the approved cash reconciliations are agreed to the general ledger balances to ensure that further cash activity was not recorded after the cutoff date.	Implemented.	
• The Bookstore inventory account on the statement of net assets was not properly reconciled to the physical inventory value of approximately $79,000.	• Ending inventory, as reported in the statement of net assets, is agreed to the physical inventory amount and the related cost of goods sold for bookstore operations is reasonable.		

Findings	Recommendations	Current Status	District Explanation if Not Fully Implemented
Significant Deficiency – Internal Controls (Continued)			
• A capital lease for the purchase of network security software of approximately $40,000 was not properly capitalized in the conversion entries for financial reporting under generally accepted governmental accounting standards (GASB 35). The payment on the lease in the current year was improperly coded to a 6000 object code instead of a 7000 object code used for debt payments. As a result the GASB 35 conversion process did not detect additional debt, nor was the Chief Accountant made aware of the lease.	• All debt agreements should be forwarded to the Chief Accountant to ensure that they are properly included in the analysis of the debt payments and the conversion entries under GASB 35 reporting.	Implemented.	
Internal Controls – Child Development Center			
The Child Development Center does not have a lockbox system or other safeguard to prevent the misappropriation of checks and cash paid by families for child care fees.	The Child Development Center should implement a lockbox system or other safeguard for checks and cash to be deposited by families when fees are to be paid.	Implemented.	
Internal Controls – Associated Student Body			
There is no review or approval of revenue producing activities for student clubs and the sub-receipt books given to the clubs are not tracked.	The District should appoint an individual to review and approve all revenue producing activities for student clubs. The District should maintain a detailed log of receipt books provided to student clubs.	Not implemented.	See current year finding No. 7.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

COUNTY OF PLUMAS

QUINCY, CALIFORNIA

FINANCIAL STATEMENTS

WITH SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2009

AND

INDEPENDENT AUDITOR'S REPORT

PERRY-SMITH
THE POWER OF CONFIDENCE

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION

For the Year Ended June 30, 2009

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FEATHER RIVER COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION

For the Year Ended June 30, 2009

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Feather River Community College District
Quincy, California

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Feather River Community College District (the "District") as of and for the year ended June 30, 2009, which comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements listed in the aforementioned table of contents present fairly, in all material respects, the net assets of the business-type activities and the discretely presented component unit of Feather River Community College District as of June 30, 2009, and the results of its operations, changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued a report dated February 18, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis (MD&A) on pages 3 through 13 is not a required part of the financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the District's basic financial statements. The accompanying supplementary information listed in the table of contents, including the Schedule of Federal Financial Awards, which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Perry-Smith LLP

Sacramento, California
February 18, 2010

Feather River Community College District
Management's Discussion and Analysis
Fiscal Year Ending June 30, 2009

This discussion and analysis of Feather River Community College District's financial statements provides an overview of the District's financial activities for the year ended June 30, 2009. Management has prepared the financial statements and the related footnote disclosures along with this discussion and analysis. These financial statements and this discussion and analysis reflect the financial activities of the Feather River Community College District. In accordance with Statement No. 14, as amended by Statement No. 39 of the Governmental Accounting Standards Board (GASB), the financial data of the Feather River Community College Foundation, Inc. (Foundation) have been combined with that of the District in these financial statements.

Overview of the Financials

Financial statements communicate the financial condition and operational results of Feather River Community College District. Our statements are presented using the terminology and classifications of activity that conform to the Governmental Accounting Standards Board's Statements of Financial Accounting.

Financial Statements

The three basic financial statements included in this report are: the Statement of Net Assets; the Statement of Revenues, Expenses, and Change in Net Assets; and the Statement of Cash Flows.

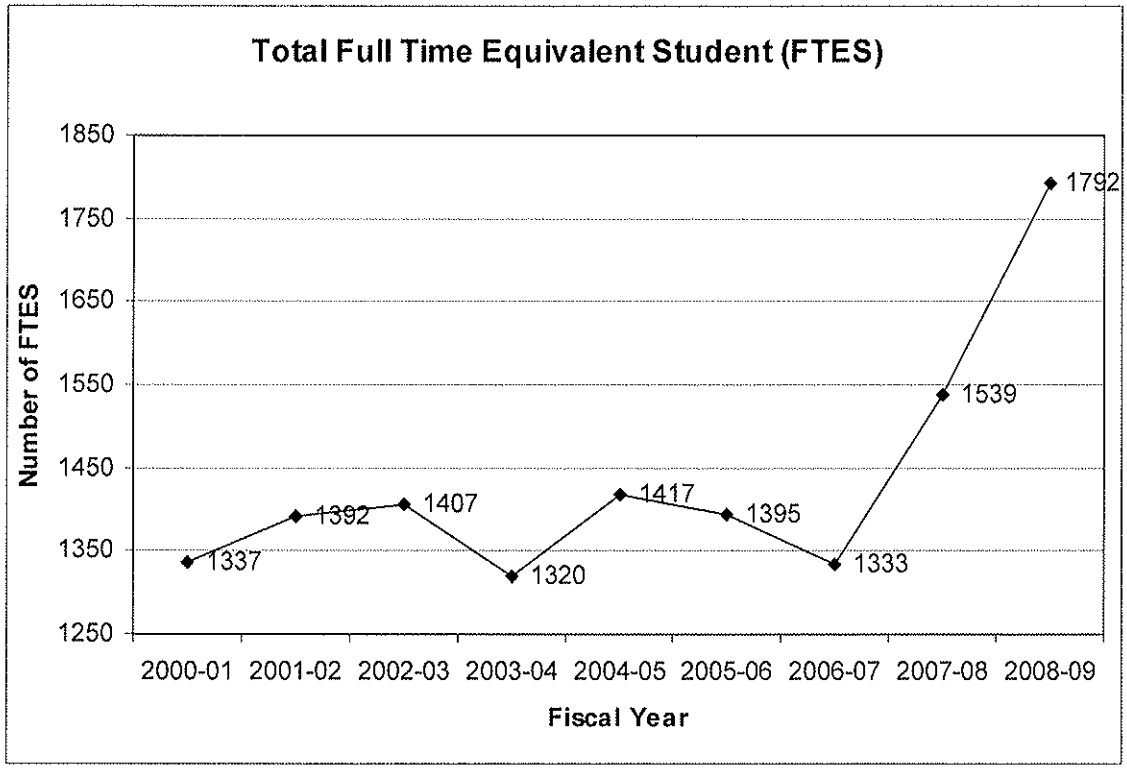
- Statement of Net Assets. This report presents the financial position as of the end of the fiscal year (June 30th) including assets, liabilities, and net assets (formerly fund balance). It should help the reader obtain information on the College's ongoing ability to provide services, as well as liquidity, financial flexibility (ability to respond to unexpected needs and opportunities), ability to meet obligations, and needs for external financing.

- Statement of Revenue, Expenses, and Change in Net Assets. This report presents financial activity during the fiscal year, thereby reconciling the beginning and end-of-year net assets contained in the Statement of Net Assets. It provides profit and loss information and helps to distinguish profit and loss from operations and capital activities.

- Statement of Cash Flows. This report presents cash-related activities during the fiscal year, thereby reconciling the beginning and end-of-year cash balances contained in the balance sheet. Like those required of for-profit entities, this statement segregates the activities of the organization into three categories: cash flows from operations, investing, and financing activities. This statement provides data that supplements information contained in the statement of activities (e.g., it adjusts for the effects of accrual accounting, removes certain non-cash activities such as depreciation, and discloses cash generated or used by operating activities, investments, and new financing).

Financial and Enrollment Highlights

Full-time Equivalent Students (FTES) increased an overall 16.44% for credit and non-credit programs combined. The increase in FTES totaled 253, which represented an increase in all programs. For the second consecutive year the Incarcerated Student Program (ISP) and the physical education programs provided significant growth.



Revenues are recorded in three categories; operating revenues, non-operating revenues and capital revenues. Operating revenues include tuition and fees, grants and contracts, revenues from auxiliary enterprises and interest. Non-operating revenues are comprised of state apportionment, local property taxes, state taxes, interest income, and other. Capital revenues consist of state apportionments, local property taxes and grants & gifts. Overall revenues were $19,359,063 ($8,000,042 in operating revenues, $10,784,196 in non-operating revenues, and $574,825 in capital revenues). This was $704,145 more than revenues for the prior year and is mainly attributable to additional Educational Revenue Augmentation Fund (ERAF) temporary receipts reflected in the Local Property Taxes and the additional revenue generated by the increase for Full-time Equivalent Students (FTES).

Expenses are recorded as operating and non-operating expenses. All expenses except some debt related capital expenses are categorized as operating expenses. Operating expenses reflect depreciation and financial aid expenses under the new reporting format. Overall expenses were $18,904,557. This was $1,633,299 more than expenses for the prior year. The significant increases were in Salaries and Employee Benefits and Student Financial Aid.

The District paid down $171,319 in long-term lease/debt obligations during the 2008-09 fiscal year.

Statement of Net Assets

The Statement of Net Assets includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions.

- Cash and cash equivalents reflects operating cash on hand. Restricted cash and cash equivalents reflects cash held for restricted purposes by legislation, by contract, or by grantor agency. This includes cash for capital outlay projects, debt repayment, and future post retirement benefits. Most of the cash and cash equivalents are held at the Plumas County Treasurer's office in accordance with Education Code Section 84000. The Plumas County Treasury's average rate of return was 2.53% for the fiscal year ended June 30, 2009. Other cash and cash equivalents are held by bank trustees as reserves for debt instruments. More information on cash can be found in the footnotes to the financial statements.

- Receivables include state apportionments, student fees, federal and state grants and contracts, among other various operating receivables. The increase in the 2008-09 year receivables in comparison to the prior year was due primarily to the receipt and timing of the June 2009, state apportionment. The June 2009 state apportionment totaling $400,238 was not actually received until July 2009. An increase of $68,927 in accounts receivable attributed to federal revenues in comparison to the prior year was also reflected in these numbers.

- Capital assets are those fixed assets for which the acquisition cost exceeds the thresholds set forth in the District's Board Policies regarding depreciable assets. Such assets are then depreciated over their useful lives. The financial statements reflect the cost of capital assets, net of accumulated depreciation.

- Accounts payable consist mainly of amounts owed to suppliers for various operating purchases, to employees for accrued vacation, and to vendors for purchases of capital assets.

- Deferred revenues are amounts received but not yet earned by the District. A significant amount of deferred revenue was received in the form of Career Technical Education – SB70 Grant. The deferred revenues were made up of mostly state categoricals with allowable carryover.

- Long-term liabilities in total, which includes both current and non-current portions, increased from the prior year. There were three additional long term leases recorded in the year which included SunGard Banner Software System, equine hay barn addition, and a forty-nine passenger bus.

The breakdown of net assets by category for the District is displayed in the following charts:

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET ASSETS (Condensed)
June 30, 2009 and 2008
(Thousands)

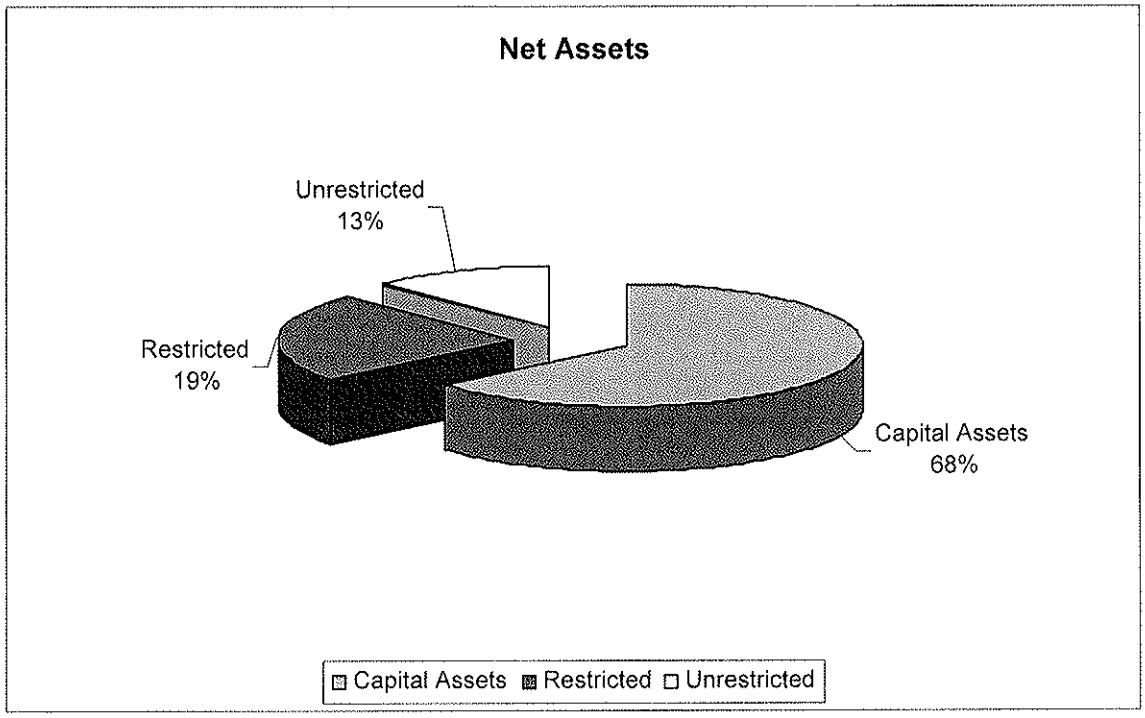
	2008-2009	2007-2008	Dollar Change	Percent Change
ASSETS				
CURRENT ASSETS				
Cash & Cash Equivalents	$ 3,940	$ 2,970	$ 970	32.7%
Receivables	1,920	1,515	405	26.7%
Inventories & Other Assets	114	141	(27)	-19.1%
TOTAL CURRENT ASSETS	**5,974**	4,626	1,348	29.1%
NON-CURRENT ASSETS				
Restricted Cash & Cash Equivalents	1,371	1,244	127	10.2%
Capital Assets, Net	5,092	3,551	1,541	43.4%
TOTAL NON-CURRENT ASSETS	**6,463**	4,795	1,668	34.8%
TOTAL ASSETS	**$ 12,437**	$ 9,421	$ 3,016	32.0%
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	$ 929	$ 1,144	$ (215)	-18.8%
Deferred Revenue	1,552	531	1,021	192.3%
Amounts Held in Trust	1,374	1,254	120	9.6%
Long-term Debt-Current Portion	534	520	14	2.7%
TOTAL CURRENT LIABILITIES	**4,389**	3,449	940	27.3%
NON-CURRENT LIABILITIES				
Long-term Debt - Non-Current Portion	2,325	1,321	1,004	76.0%
TOTAL LIABILITIES	**6,714**	4,770	1,944	40.8%
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	3,894	3,289	605	18.4%
Restricted	1,185	746	439	58.8%
Unrestricted	644	616	28	4.5%
TOTAL NET ASSETS	**5,723**	4,651	1,072	23.0%
TOTAL LIABILITIES AND NET ASSETS	**$ 12,437**	$ 9,421	$ 3,016	32.0%

Net assets – the difference between assets and liabilities – are one way to measure the financial health of the District. The District's net assets consist of the following:

- Unrestricted net assets are funds received to support the general mission of the college. At June 30, 2009 the District has $643,412 in unrestricted net assets.

- Capital assets, net of related debt, represent the District's investment in physical facilities, land, and capital improvements. There was a prior period adjustment for $617,500 relating to a group of fixed assets not being capitalized from 2007-2008 in the fixed asset system.

- Net assets set aside for capital projects is $1,105,141 at June 30, 2009.

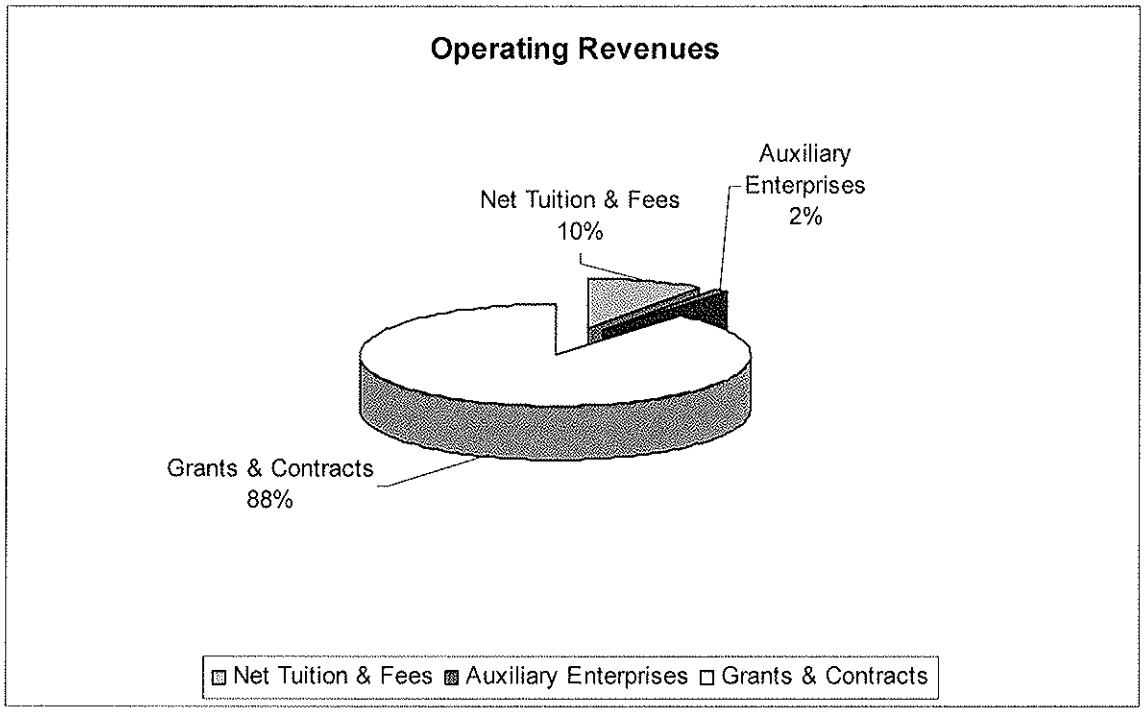


Statement of Revenues, Expenses, and Change in Net Assets

The Statement of Revenues, Expenses, and Change in Net Assets present the operating results of the District, as well as the non-operating revenues and expenses. Annual state appropriations, while budgeted for operations, are considered non-operating revenues according to Generally Accepted Accounting Principles (GAAP). The breakdown of revenues and expenses by category are depicted in the following charts:

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS
For the Years Ended June 30, 2009 and 2008
(Thousands)

	2008-2009	2007-2008	Dollar Change	Percent Change
OPERATING REVENUES				
Net Tuition & Fees	$ 774	$ 526	$ 248	47.1%
Grants & Contracts	7,101	6,877	224	3.3%
Auxiliary	125	211	(86)	-40.8%
TOTAL OPERATING REVENUES	**8,000**	7,614	386	5.1%
OPERATING EXPENSES				
Salaries & Benefits	11,049	10,675	374	3.5%
Supplies, Material & Other	7,353	6,236	1,117	17.9%
Depreciation	502	360	142	39.4%
TOTAL OPERATING EXPENSES	**18,904**	17,271	1,633	9.5%
NON-OPERATING ACTIVITY				
State Revenues	4,245	4,295	(50)	-1.2%
Local Property Taxes	6,116	5,893	223	3.8%
State Taxes & Other Revenue	303	347	(44)	-12.7%
Interest Income (Net)	120	135	(15)	-11.1%
Other Non-Operating Revenue	-	(51)	51	100.0%
TOTAL NON-OPERATING ACTIVITY	**10,784**	10,619	165	1.6%
CAPITAL REVENUES				
State Apportionment	78	101	(23)	-22.8%
Local Property Taxes & Revenues	12	8	4	50.0%
Grant & Gifts	485	312	173	55.4%
TOTAL CAPITAL REVENUES	**575**	421	154	36.6%
CHANGE IN NET ASSETS	455	1,383	(928)	-67.1%
BEGINNING NET ASSETS, JUNE 30, 2008, AS PREVIOUSLY REPORTED	**4,651**	3,268	1,383	42.3%
PRIOR PERIOD ADJUSTMENT (NOTE 14)	**617**		617	100.0%
BEGINNING NET ASSETS, JUNE 30, 2008, AS RESTATED	**5,268**	3,268	2,000	62.0%
ENDING NET ASSETS	$ 5,723	$ 4,651	$ 1,072	23.0%



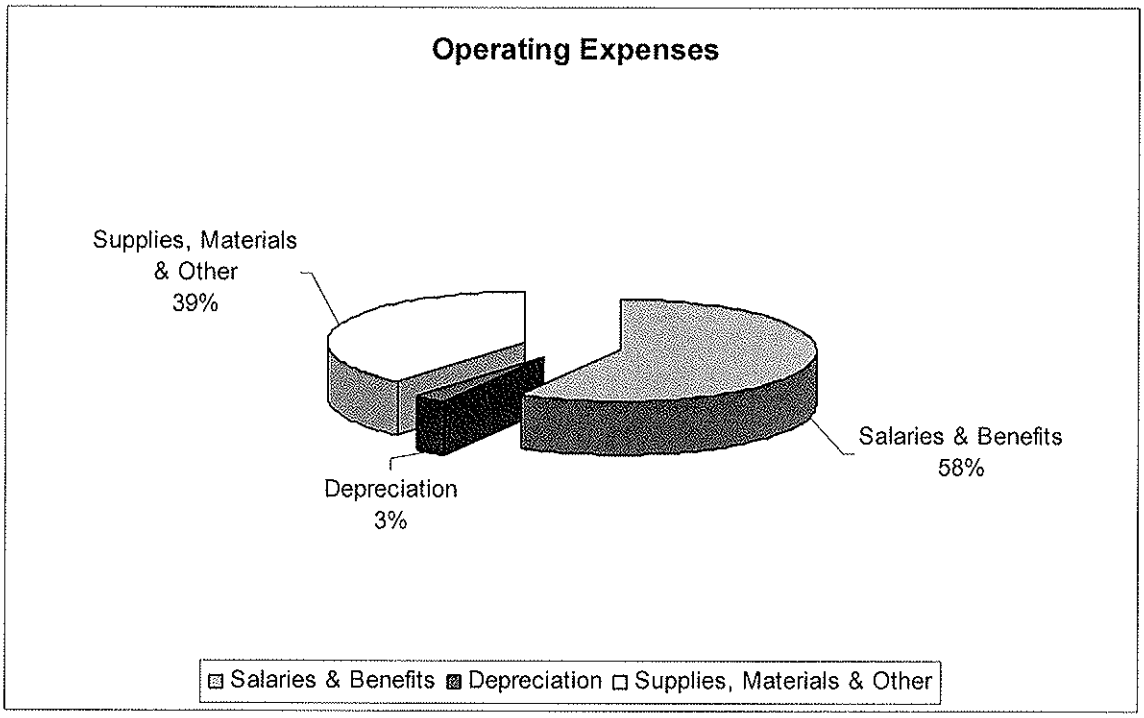
Operating and Non-operating Revenues grew in fiscal year 2008-2009 as follows:

- State general apportionments, enrollment fees and tuition revenues increased due to an increase in the Full-time Equivalent Students (FTES) by 16.44% or two hundred and fifty-three FTES which includes increases in both credit and non-credit FTES.

- The District's apportionment was not fully funded which resulted in a deficit coefficient of .0037% or $39,798.

- Traditionally the District receives COLA and enrollment growth funding. In the 2008-09 fiscal year there was no COLA received. The District received enrollment growth of $454,703 representing 7.49% constrained growth revenue cap.

- Federal and state grants and contracts increased slightly due primarily to an increase in enrolled students eligible for financial aid and state approved grant funding.



Operating expenses also increased in 2008-2009 as follows:

- Expenses for employee salaries and statutory benefits were increased for step and column changes only. There was no cost of living adjustment increases provided.

- The cost of supplies, materials, and other operating costs increased by 17.9% from prior year due primarily to program growth from increased attendance as well as inflation and general operating increases. The increase was also attributable to increases in capital outlay from the bond approved project.

- Depreciation increased due to asset acquisitions in the 2008-09 fiscal year.

Statement of Cash Flows

The Statement of Cash Flows presents changes in cash from the sources and uses of funds related to operating activities, capital asset acquisitions, and activity from debt instruments.

The District participates in a Tax Revenue Anticipation Notes (TRAN) program each year provided through Community College League of California (CCLC). The District's apportionment funding is primarily through property taxes which are paid twice a year in December and April. This program provides access to a short-term loan funds to assist with cash flow needs during the fiscal year.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS (Condensed)
For the Years Ended June 30, 2009 and 2008
(Thousands)

	2008-2009	2007-2008	Dollar Change	Percent Change
CASH (USED IN) PROVIDED BY:				
Operating Activities	$(10,011)	$ (10,478)	$ 467	4.5%
Non-Capital Financing Activities	10,904	10,582	322	3.0%
Capital and Related Financing Activities	73	(536)	609	113.6%
Investing Activities	131	157	(26)	-16.6%
NET INCREASE/(DECREASE) IN CASH	1,097	(275)	1,372	-498.9%
CASH - BEGINNING OF THE FISCAL YEAR	4,214	4,489	(275)	-6.1%
CASH - END OF THE FISCAL YEAR	$ 5,311	$ 4,214	$ 1,097	26.0%

In accordance with GAAP, the District recorded $501,965 in depreciation expense for the fiscal year and reflected a liability for compensated absences (accrued vacation not used at June 30) of $313,691.

The District ending cash balance includes temporary funds from Educational Revenue Augmentation Fund (ERAF) which totaled $982,811.

For additional information concerning Capital Assets and Long-Term Debt, see footnotes to the financial statements.

District's Fiduciary Responsibility

The District is the trustee, or fiduciary, for certain amounts held on behalf of students, clubs, donors and employees. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The District's fiduciary funds include Post Retiree Health Benefits and Associated Students Trust Fund.

Economic Factors That Will Affect the Future

The economic position of the District is closely tied to that of the State of California. Due to traditional state funding uncertainties, a great deal of flexibility is necessary to remain balanced and continue to provide uninterrupted service. Examples of these uncertainties include annual deficit factors, limited growth funding, and mid year cuts in apportionment funding. Feather River Community College District must remain responsive to these variables and financial pressures with sound fiduciary practices and a collaborative governance approach to the budget process.

The economy and the financial markets have experienced considerable declines in all areas which are resulting in record State deficits. The State revenues are below budget estimates and the projected State deficit for the 2009-10 fiscal year is approximately $6 billion. This shortfall may require the State to implement mid-year cuts in the 2009-10 fiscal year. Without legislative actions to help remedy the projected budget shortfalls, there could be significant reductions in funding as the entire State will feel the impact of the fiscal crisis. The magnitude of the impact on California Community Colleges for the current 2009-10 year as well as the 2010-11 budget year is uncertain but reduced funding is imminent. This reduced funding will necessitate corresponding expenditure reductions and cuts.

Historical Perspective: 2008-2009 Fiscal Year

Revenues for the 2008-2009 fiscal year increased due primarily to the enrollment growth funding. The District apportionment revenue did not receive a cost of living adjustment and there was a slight reduction in apportionment funding due to the system wide deficit coefficient.

Enrollment growth increased significantly representing a 16.44% increase and a total of 253 FTES. The District received funding for approximately 100 FTES of the total growth of 253 FTES.

The District did exceed the 1,500 FTES threshold for Nevada Good Neighbor tuition rates. By exceeding the 1,500 FTES threshold the District is limited to state funding for only 100 FTES Nevada Good Neighbor tuition. Nevada Good Neighbor tuition rates are currently $42 per credit unit in comparison to out of state tuition that exceeds $200 per credit unit.

Operating costs were higher due to salary step increases, incarcerated student program expansion, and general program operating increases. Effective District management of expenses during the fiscal year helped to offset some of the increases to non-discretionary expenditures.

Net assets, formerly classified as fund balance, are an indicator of the District's financial position. For the past five fiscal years, the District's fund balance for the general fund has ranged between 5 and 8 percent of operating expenditures. Even during challenging financial times, the District has remained structurally balanced. In 2008-2009, the District ended the fiscal year with an increase in total net assets of 9.8%.

Projected 2009-2010 Fiscal Year

The Board of Trustees adopted a balanced budget in September 2009. The current general fund operating budget approved by the Board of Trustees, projects revenues and expenses at $15.9 million.

Revenues for the 2009-2010 fiscal year have decreased from the prior year actuals in the unrestricted general fund. The funding per FTES did not change, but a reduction in the workload measure put a cap on the total funded FTES at 1,559. The State of California reduced most categorical funding and the federal government provided a small amount of one time funds per the American Recovery and Reinvestment Act (ARRA). The District's apportionment revenue per FTES did not receive a cost of living adjustment (COLA) for the second consecutive year.

The new Library Resource Center began the construction phase of the project in August, 2009. The total expenditure through June 30, 2009, totaled $868,558 which comprised primarily of working drawings, planning phase activities, preliminary soil testing, geotechnical testing, preparation of bids documents, and relocation of power supply.

Beyond Fiscal Year 2009-2010

The outlook for 2010-2011 and beyond is difficult to predict. The state economic outlook impacts the District's economic position. The federal and state poor economic performance in all sectors of the economy is impacting the much needed funding to support growth within the District. The current economic forecast predicts continued deficits at the State level for the next several years. This of course would result in possible reductions to education funding at all levels.

Budget assumptions going through the 2013 year would indicate no new or additional revenues should be expected. The impact on the District's reserve and the required expenditures to meet instructional and student support services will require constant attention.

The District is faced with many funding challenges as we strive to serve a growing population in our county with aged facilities. While we have been successful with the bond measure at the state level that is currently funding the new Library Resource Center, we have not completely evaluated the feasibility of a local bond measure for Plumas County. We face costs to replace our aging facilities, upgrade our technology infrastructure, and expand our services to additional areas in the county. We continue to evaluate ways to most effectively allocate our resources to meet these needs.

The District's new Library Resource Center began the physical phase of construction in August 2009, and is projected to be completed within eighteen months. This project is entirely funded by the State of California bond measure.

Public employers in the United States are subject to a new Governmental Accounting Standard for retiree health benefit costs (OPEB). Feather River Community College District pays all of the health insurance costs for eligible employees hired prior to 1994. A second retiree medical plan was established for employees hired after 1994 that limits OPEB liability by providing a defined contribution plan. Feather River Community College District pays its post-1994 retiree health insurance costs on an accrual basis. The pre-1994 plan is paid on a "pay as you go" basis. GASB Statement No. 45 (Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions) requires community college districts to report retiree benefits on an accrual basis. Though GASB 45 requires districts with OPEB plans for 200 or more members to obtain an actuarial valuation at least biennially, far less than 200 employees are eligible under Feather River Community College District's OPEB plans. Beginning in fiscal year 2009-10, the actuarial accrued liability for OPEB plans will be booked and recognized on the balance sheet and operating statement of the District's financial statements. The District will receive a new actuarial valuation report by the end of the 2009-10 fiscal year.

While there have been changes in the economic environment in which all institutions of higher education operate in the State of California, responsible fiscal management has placed us in a sound financial position from which we can effectively respond to the challenges of the future. The Feather River Community College District will continue to identify fiscally responsible ways to serve our student body and communities with quality educational programs. Under the leadership of our Board of Trustees and the Superintendent/President, we will continue to move forward with implementing the goals, priorities, and tasks outlined in the District's Strategic Plan, Educational Plan, Operational Plans and Operating Budgets.

BASIC FINANCIAL STATEMENTS

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET ASSETS

June 30, 2009

ASSETS	
Current assets:	
Cash and cash equivalents (Note 2)	$ 3,940,057
Student fees receivable, net (Note 3)	699,030
Accounts receivable, net (Note 3)	1,221,209
Stores inventories	33,811
Prepaid expenses	80,258
Total current assets	5,974,365
Noncurrent assets:	
Restricted cash and cash equivalents (Note 2)	1,370,545
Capital assets, net (Note 4)	5,092,557
Total noncurrent assets	6,463,102
Total assets	12,437,467
LIABILITIES	
Current liabilities:	
Accounts payable	929,368
Deferred revenue (Note 5)	1,552,138
Compensated absences payable (Note 6)	313,691
Amounts held in trust	1,373,395
Long-term debt – current portion (Note 6)	220,164
Total current liabilities	4,388,756
Noncurrent liabilities:	
Long-term debt – noncurrent portion (Notes 6 and 9)	2,325,461
Total liabilities	6,714,217
Contingencies (Note 10)	
NET ASSETS	
Invested in capital assets, net of related debt	3,894,439
Restricted for capital projects	1,105,141
Restricted for other special purposes	80,258
Unrestricted	643,412
Total net assets	$ 5,723,250

The accompanying notes are an integral part of these financial statements.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNIT -
FEATHER RIVER COMMUNITY COLLEGE FOUNDATION, INC.
(A Nonprofit Organization)

STATEMENT OF NET ASSETS

June 30, 2009

ASSETS	
Current assets:	
Cash and cash equivalents (Note 2)	$ 268,307
Investments (Note 2)	381,456
Accounts receivable, net (Note 3)	39,589
Prepaid expenses	2,695
Total current assets	692,047
Investments (Note 2)	319,828
Property and equipment, net (Note 4)	3,980,879
Other assets:	
Deposits	1,396
Bond issuance costs, net of accumulated amortization of $83,496	180,911
Total assets	$ 5,175,061

LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable and account expenses	$ 69,247
Tenant deposits payable	37,789
Current portion of long-term debt (Note 6)	140,528
Accrued compensated absences (Note 6)	14,126
Total current liabilities	261,690
Long-term debt, less current portion (Note 6)	3,070,100
Total liabilities	3,331,790
Net assets:	
Unrestricted	1,698,755
Temporarily restricted	141,466
Permanently restricted	3,050
Total net assets	1,843,271
Total liabilities and net assets	$ 5,175,061

The accompanying notes are an integral
part of these financial statements.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

STATEMENT OF REVENUES, SUPPORT, EXPENSES AND CHANGE IN NET ASSETS

For the Year Ended June 30, 2009

Revenues:	
Operating revenues:	
Tuition and fees	$ 940,419
Less: scholarship discount and allowance	(166,728)
Net tuition and fees	773,691
Grants and contracts, noncapital:	
Federal	4,449,538
State	1,796,952
Local	854,304
Auxiliary enterprise sales and charges	125,557
Total operating revenues	8,000,042
Expenses:	
Operating expenses (Note 12):	
Salaries	8,533,809
Benefits (Notes 8 and 9)	2,515,050
Supplies, materials and other operating expenses and services	6,970,036
Utilities	383,697
Depreciation (Note 4)	501,965
Total operating expenses	18,904,557
Loss from operations	(10,904,515)
Non-operating revenues (expenses):	
State apportionment, non-capital	4,245,429
Local property taxes (Note 7)	6,115,981
State taxes and other revenues	303,014
Interest expense on capital asset-related debt, net	(11,491)
Interest income	131,263
Total non-operating revenues (expenses)	10,784,196
Loss before capital revenues	(120,319)
Capital revenues:	
State apportionment	77,619
Local property taxes and revenues	12,642
Grants and gifts, capital	484,564
Total capital revenues	574,825
Change in net assets	454,506
Net assets, June 30, 2008, as previously reported	4,651,244
Prior period adjustment (Note 14)	617,500
Net assets, June 30, 2008, as restated	5,268,744
Net assets-end of year	$ 5,723,250

The accompanying notes are an integral part of these financial statements.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNIT -
FEATHER RIVER COMMUNITY COLLEGE FOUNDATION, INC.
(A NONPROFIT ORGANIZATION)

STATEMENT OF REVENUES, SUPPORT, EXPENSES
AND CHANGE IN NET ASSETS

For the Year Ended June 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and other support:				
Contributions	$ 127,230	$ 29,213		$ 156,443
Registration fees	132,918			132,918
Contributions by Feather River College (Note 13)	188,714			188,714
Rental income	764,529			764,529
Interest income	11,691			11,691
Other operating income	48,740	448		49,188
(Loss) gain on sale of horses / equipment	(37,270)	47,339		10,069
Fish sales, net		3,096		3,096
Fundraising income, net	(67)	20,704		20,637
Net assets released from restrictions by payments	83,026	(83,026)		
Transfers	(4,250)	4,250		
Total revenues, gains and other support	1,315,261	22,024		1,337,285
Expenses:				
Program services:				
Fitness center operations	317,460			317,460
College housing operations	747,626			747,626
Purchases on behalf of Feather River College (Note 13)	29,177			29,177
Scholarships granted	21,538			21,538
Supporting services:				
Management and general	52,935			52,935
Total expenses	1,168,736			1,168,736
Change in net assets	146,525	22,024		168,549
Net assets, beginning of year	1,552,230	119,442	$ 3,050	1,674,722
Net assets, end of year	$ 1,698,755	$ 141,466	$ 3,050	$ 1,843,271

The accompanying notes are an integral
part of these financial statements.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2009

Cash flows from operating activities:	
Tuition and fees	$ 798,849
Federal grants and contracts	4,059,500
State grants and contracts	2,633,966
Local grants and contracts	998,756
Payments to suppliers	(3,874,385)
Payments to utilities	(383,697)
Payment to employees	(10,966,083)
Payment to students	(3,403,976)
Auxiliary enterprises sales and charges	125,557
Net cash used in operating activities	(10,011,513)
Cash flows from noncapital financing activities:	
State appropriations	4,366,075
Local property taxes	6,115,981
State taxes and other revenues	303,014
Other non-operating revenues (expenses)	118,984
Net cash provided by noncapital financing activities	10,904,054
Cash flows from capital and related financing activities:	
Local revenue for capital purposes	12,642
State apportionment for capital purposes	77,619
Proceeds from capital debt	1,106,900
Purchase of capital assets	(1,425,855)
Principal paid on capital debt	(171,319)
Interest paid on capital debt, net	(11,491)
Grants and gifts	484,564
Net cash provided by capital and related financing activities	73,060
Cash flows provided by investing activities:	
Interest income	131,263
Net increase in cash and cash equivalents	1,096,864
Cash balance beginning of year	4,213,738
Cash balance end of year	$ 5,310,602

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS
(Continued)
For the Year Ended June 30, 2009

Reconciliation of loss from operations to net cash used in operating activities:	
Loss from operations	$ (10,904,515)
Adjustments to reconcile loss from operations to net cash used in operating activities:	
Depreciation expense	501,965
Changes in assets and liabilities:	
Receivables, net	(405,000)
Inventories	45,201
Prepaid expenses	(17,998)
Accounts payable	(335,528)
Deferred revenue	1,021,586
Compensated absences	(48,477)
Retiree health benefits	131,253
Net cash used in operating activities:	$ (10,011,513)

The accompanying notes are an integral part of these financial statements.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNIT –
FEATHER RIVER COMMUNITY COLLEGE FOUNDATION, INC.
(A Nonprofit Organization)

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2009

Cash flows from operating activities:	
Increase in net assets	$ 168,549
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	179,453
Amortization	13,916
Donated horses included in contributions	(125,931)
Gain on sale of horses	(10,069)
Increase in accounts receivable	(34,709)
Decrease in prepaid expenses	325
Decrease in deposits	1,163
Decrease in accounts payable and accrued expense	(11,616)
Increase in tenant deposits payable	2,089
Decrease in compensated absences	(3,315)
Net cash provided by operating activities	179,855
Cash flows from investing activities:	
Payments for property and equipment	(15,140)
Increase in investments	(114,471)
Proceeds from sale of horses	47,339
Net cash used in investing activities	(82,272)
Cash flows used in financing activities:	
Payments on long-term debt	(141,743)
Net decrease in cash and cash equivalents	(44,160)
Cash and cash equivalents, July 1, 2008	312,467
Cash and cash equivalents, June 30, 2009	$ 268,307

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Feather River Community College District (District) is a political subdivision of the State of California and provides educational services to the local residents of the surrounding area. While the District is a political subdivision of the state, it is not a component unit of the state in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14. The District is classified as a state instrumentality under Internal Revenue Code Section 115, and is therefore exempt from federal taxes.

The decision to include potential component units in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America and GASB Statement 14 as amended by GASB Statement 39. The three criteria for requiring a legally separate, tax-exempt organization to be presented as a component unit are the "direct benefit" criterion, the "entitlement/ability to access" criterion, and the "significance" criterion. The District identified the Feather River Community College Foundation, Inc. (Foundation) as its potential component unit.

The Foundation is a nonprofit, tax-exempt organization. The purpose of the Foundation is to provide supportive services and specialized programs for the general benefit of the District and the District's various organizations. The Foundation's funds consist of the following:

General - As a service to college affiliated organizations and projects, the Foundation performs fund-raising activities, provides scholarships, and acts as a collecting and disbursing agent for special activities of certain campus organizations.

Feather River Fitness and Recreation - As a service to students and the community, the Fitness and Recreation Center provides exercise facilities on a fee basis.

Feather River College Residence Halls - As a service to students, the Feather River College Residence Halls provide housing for students.

The District applied the criteria for identifying component units in accordance with GASB Statement 39 and, therefore, the District has classified the Foundation as a component unit that will be discretely presented in the District's financial statements. The Foundation also issues a stand-alone audited financial report, which can be obtained from the District or the Foundation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

GASB released Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" in June 1999, which established a new reporting format for annual financial statements. In November 1999, GASB released Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities," which applies the new reporting standards of GASB Statement No. 34 to public colleges and universities. The GASB then amended those statements in June 2001 with the issuance of GASB Statements No. 37 and No. 38. The District adopted and applied these new standards for 2003-04 as required. In May 2002, the GASB released Statement No. 39, "Determining Whether Certain Organizations Are Component Units," which amends GASB Statement 14, paragraphs 41 and 42, to provide guidance for determining and reporting whether certain organizations are component units. The District adopted and applied this standard for the 2003-04 fiscal year as required. The District now follows the financial statement presentation required by GASB Statements No. 34, 35, 37, 38 and 39. This presentation provides a comprehensive, entity-wide perspective of the District's assets, cash flows, and replaces the fund-group perspective previously required.

Basis of Accounting

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. Under this model, the District's financial statements provide a comprehensive one-line look at its financial activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. All significant intra-agency transactions have been eliminated.

The Foundation's financial statements are prepared on the accrual basis of accounting. For the Foundation, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

The District records revenues when earned and expenses when a liability is incurred regardless of the timing of the related cash flow. The budgetary and financial accounts of the District are recorded and maintained in accordance with the Chancellor's Office's *Budget and Accounting Manual.*

The District has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The District has elected to not apply FASB pronouncements issued after that date.

Cash and Cash Equivalents

For the purposes of the financial statements, cash equivalents are defined as financial instruments with an original maturity of three months or less. Funds invested in the Plumas County Treasury are considered cash equivalents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Cash and Cash Equivalents

Cash that is externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, is classified as non current assets in the statement of net assets. Restricted cash and cash equivalents are included in cash and cash equivalents in the statement of cash flows.

Fair Value of Investments

The District records its investment in funds held by Plumas County Treasury at fair value. Changes in fair value are reported as revenue in the statement of revenues, expenses and change in net assets. The fair value of investments, including the Plumas County Treasury external investment pool, at June 30, 2009 approximated their carrying value.

The Foundation records investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values. Unrealized gains and losses are included in the change in net assets.

Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of California. Accounts receivable also include amounts due from the Federal Government, State and Local Governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts.

Inventory

Inventory consists of cafeteria food, textbooks and educational supplies at the Campus Center, which are valued using the retail method. Inventories are stated at the lower of cost (first in, first out) or market.

Capital Assets

Capital assets are recorded at the date of acquisition, or fair market value at the date of donation in the case of gifts. For equipment, the District's capitalization policy included all items with a unit cost of $5,000 or more, and estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 5 – 30 years depending on asset type.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

The District evaluates capital assets for financial impairment as events or changes in circumstances indicate that the carrying amounts of such assets may not be fully recoverable.

Compensated Absences

Compensated absences are recorded as a liability of the District. This liability is for earned but unused benefits.

Accumulated Sick Leave

Sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure or expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits for certain STRS and PERS employees, when the employee retires.

Deferred Revenue

Revenue from federal, state and local special projects and programs is recognized when qualified expenditures have been incurred. Funds received but not earned are recorded as deferred revenue until earned.

Net Assets

The District's net assets are classified as follows:

Invested in capital assets, net of related debt: This represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component invested in capital assets, net of related debt.

Restricted net assets – expendable: Restricted expendable net assets include resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Restricted net assets – nonexpendable: Nonexpendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

Unrestricted net assets: Unrestricted net assets represent resources derived from student tuition and fees, state apportionments, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to utilize available restricted resources, followed by unrestricted resources.

The Foundation's net assets are classified as follows:

Unrestricted: Unrestricted net assets consist of all resources of the Foundation, which have not been specifically restricted by a donor.

Temporarily restricted: Temporarily restricted net assets consist of cash and other assets received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Revenue, Expense, and Changes in Net Assets as net assets released from restriction.

Permanently restricted: Permanently restricted net assets are nonexpendable net assets consisting of endowment and similar type funds in which the donor has stipulated as condition of the gift, that the principal be maintained in perpetuity.

In August 2008, the FASB issued FASB Staff Position No. 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to and Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* (FSP FAS 117-1), which provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and additional disclosures about an organization's endowment funds. In 2008, the State of California adopted UPMIFA, which is effective beginning January 1, 2009. The following disclosures are made as required by FSP FAS 117-1.

The Foundation's endowment currently consists of one individual fund established for the purpose of supporting education at the District. The endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

The Board of Directors of the Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard prudence prescribed by UPMIFA.

The Foundation follows the Foundation's adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specific period(s).

The investment objective is to optimize earnings on all invested funds, while maintaining the preservation of capital. Risk will be minimized by investing in high quality fixed income and equity instruments with the objective of maintaining a balanced portfolio in accordance with the Foundation's investment policy.

State Apportionments

Certain current year apportionments from the State are based on various financial and statistical information of the previous year. Prior year corrections due to the recalculation in February 2009 will be recorded in the year computed by the State.

On-Behalf Payments

GASB Statement No. 24 requires that direct on-behalf payments for benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers and Public Employees Retirement Systems on behalf of all Community Colleges in California. However, a fiscal advisory issued by the California Department of Education instructed districts not to record revenue and expenditures for these on-behalf payments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Revenue

The District has classified its revenues as either operating or nonoperating revenues. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Statement No. 35 including state appropriations, local property taxes, and investment income. Nearly all the District's expenses are from exchange transactions. Revenues and expenses are classified according to the following criteria:

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, (2) sales and services of auxiliary enterprises, (3) most federal, state and local grants and contracts and federal appropriations, and (4) interest on institutional student loans.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics on nonexchange transactions, such as gifts and contributions, and other revenue sources described in GASB Statement No. 35, such as state appropriations and investment income.

Scholarship Discounts and Allowances

Student tuition and fee revenue are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in net assets. Scholarship discounts and allowances represent the difference between stated charges for goods and services provided by the District and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants and other federal, state or nongovernmental programs, are recorded as operating revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Financial Accounting Pronouncements

Fair Value Measurements

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*, which defines and establishes a framework for measuring fair value used in FASB pronouncements issued by FASB that require or permit fair value measurement. This statement expands disclosures using fair value to measure assets and liabilities in periods subsequent to the period of initial recognition. SFAS No. 157 is effective for the Foundation's financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those years. The Foundation adopted this statement on July 1, 2008. The impact of adoption was not material to the Foundation's financial condition or results of operations. See Note 2 – Cash, Cash Equivalents and Investments.

Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active

In October 2008, the FASB issued FSP FAS 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active*. The FSP clarifies the application of SFAS No. 157 in a market that is not active and provides an example to illustrate key considerations in determining the fair value of a financial asset when the market for that financial asset is not active. The FSP is effective immediately, and includes prior period financial statements that have not yet been issued, and therefore the Foundation is subject to the provision of the FSP effective immediately. The impact of adoption was not material to the Foundation's financial condition or results of operations.

Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly

In April 2009, the FASB issued FSP FAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly*, which provides additional guidance for estimating fair value in accordance with SFAS No. 157 when the volume and level of activity for the asset or liability have decreased significantly. FSP FAS 157-4 also provides guidance on identifying circumstances that indicate a transaction is not orderly. The provisions of FSP FAS 157-4 are effective for the Foundation's year ending on June 30, 2009. The impact of adoption was not material to the Foundation's financial condition or results of operations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Financial Accounting Pronouncements (Continued)

Subsequent Events

In May 2009, the Financial Accounting Standards Board issued SFAS No. 165, *Subsequent Events* (SFAS 165). Under SFAS 165, entities are required to evaluate events and transactions that occur after the balance sheet date but before the date the financial statements are issued, or available to be issued in the case of non-public entities. SFAS 165 requires entities to recognize in the financial statements the effect of all events or transactions that provide additional evidence of conditions that existed at the balance sheet date, including the estimates inherent in the financial preparation process. Entities shall not recognize the impact of events or transactions that provide evidence about conditions that did not exist at the balance sheet date but arose after that date. SFAS 165 also requires entities to disclose the date through which subsequent events have been evaluated. SFAS 165 was effective for interim and annual reporting periods ending after June 15, 2009. The Foundation adopted the provisions of SFAS 165 for the year ended June 30, 2009, as required, and adoption did not have a material impact on the Foundation's financial statements taken as a whole. The Foundation evaluated all events or transactions that occurred from June 30, 2009 to February 18, 2010, the date the Foundation issued these financial statements.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

District cash, cash equivalents and investments at June 30, 2009, consisted of the following:

Pooled Funds:	
Cash in County Treasury	$ 5,109,631
Deposits:	
Cash on hand and in banks	200,971
Total cash and cash equivalents	5,310,602
Less: restricted cash and cash equivalents:	
Cash held by Fiscal Agent	1,370,545
Net cash and cash equivalents	$ 3,940,057

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Plumas County Treasury. The County pools and invests the cash. These pooled funds are carried at fair value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws, the Plumas County Treasurer may invest in derivative securities. However, at June 30, 2009, the Plumas County Treasurer has indicated that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

The California Government Code requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110 percent of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150 percent of an agency's total deposits and collateral is considered to be held in the name of the District. All cash held by financial institutions is entirely insured or collateralized.

Under provision of the District's policy, and in accordance with Sections 53601 and 53602 of the California Government Code, the District may invest in the following types of investments:

- Securities of the U.S. Government, or its agencies
- Small Business Administration Loans
- Negotiable Certificates of Deposit
- Bankers' Acceptances
- Commercial Paper
- Local Agency Investment Fund (State Pool) Deposits
- Passbook Savings Account Demand Deposits
- Repurchase Agreements

Cash balances held in banks are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC). At June 30, 2009, the carrying amount of the District's cash on hand and in banks was $200,971 and the bank balance insured by the FDIC was $293,117.

Foundation cash consists of cash balances that are held in banks and are insured up to $250,000 by the FDIC. At June 30, 2009, the carrying amount of the Foundation's cash on hand and in banks was $268,307 and the bank balance was $280,277. The bank balance amount insured by the FDIC was $250,000.

Interest Rate Risk

The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2009, the District has no significant interest rate risk related to cash and investments held.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Credit Risk

The District does not have a formal investment policy that limits its investment choices other than the limitations of state law.

Concentrations of Credit Risk

The District does not place limits on the amount it may invest in any one issuer. At June 30, 2009, the District had no concentrations of credit risk.

Foundation Investments

Investments are stated at fair value as of June 30, 2009 and consist of revenue bond proceeds invested in the following mutual fund and guaranteed investment contract:

First American Treasury Obligations Fund, short-term	$ 381,456
Bayerische Landesbank Investment Agreement, long-term	319,828
Total investments	$ 701,284

The following presents information about the Foundation's assets and liabilities measured at fair value on a recurring basis as of June 30, 2009, and indicates the fair value hierarchy of the valuation techniques utilized by the Foundation to determine such fair value based on the hierarchy:

Level 1 – Quoted market prices or identical instruments traded in active exchange markets.

Level 2 – Significant other observable inputs such as quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a reporting entity's own assumptions about the methods that market participants would use in pricing an asset or liability.

The Foundation is required or permitted to record the following assets at fair value on a recurring basis:

Description	Fair Value	Level 1	Level 2	Level 3
Investment securities	$ 701,284	$ -	$ 701,284	$ -

Certain investments were classified as Level 2 as comparable investment securities were used to determine fair value measurements.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Foundation Investments (Continued)

The Foundation had no non recurring assets and no liabilities at June 30, 2009 which were required to be disclosed using the fair value hierarchy.

For the year ended June 30, 2009, the Foundation recognized interest income of $11,691 related to these investments.

3. ACCOUNTS RECEIVABLE

The District's receivable balances at June 30, 2009 are summarized as follows:

Accounts receivable:	
Federal	$ 255,546
State	805,551
Local and other	160,112
	$ 1,221,209
Student fees receivable	$ 936,997
Less allowance for doubtful accounts	(237,967)
	$ 699,030

The allowance for doubtful accounts is maintained at an amount that management considers sufficient to fully reserve and provide for possible uncollectibility of student fees receivable.

At June 30, 2009, the Foundation had $39,589 in accounts receivable due from local sources.

4. CAPITAL ASSETS

District capital asset activity consists of the following:

	Balance July 1, 2008	Adjustment (Note 14)	Additions	Disposals and Transfers	Balance June 30, 2009
Land	$ 277,099				$ 277,099
Building improvements	476,563				476,563
Buildings	7,104,433		$ 162,894		7,267,327
Equipment	2,331,211		1,011,903		3,343,114
Construction in process		$ 617,500	251,058		868,558
Total	10,189,306	617,500	1,425,855		12,232,661
Less accumulated depreciation:					
Building improvements	(297,754)		(15,161)		(312,915)
Buildings	(4,785,407)		(140,119)		(4,925,526)
Equipment	(1,554,978)		(346,685)		(1,901,663)
Total	(6,638,139)		(501,965)		(7,140,104)
Capital assets, net	$ 3,551,167	$ 617,500	$ 923,890	$ -	$ 5,092,557

Foundation capital asset activity consists of the following:

	Balance July 1, 2008	Additions/ Transfers	Disposals/ Transfers	Balance June 30, 2009
Furniture and fixtures	$ 165,573		$ (23,565)	$ 142,008
Land	332,884			332,884
Buildings and improvements	4,043,789	$ 4,968		4,048,757
Machinery and equipment	179,481	10,172		189,653
Horses	130,650	122,830	(33,400)	220,080
Total	4,852,377	137,970	(56,965)	4,933,382
Less accumulated depreciation:				
Buildings and improvements	(512,726)	(126,239)		(638,965)
Machinery and equipment	(135,590)	(16,108)		(151,698)
Horses	(39,989)	(15,527)	2,766	(52,750)
Furniture and fixtures	(107,541)	(21,579)	20,030	(109,090)
Total	(795,846)	(179,453)	22,796	(952,503)
Capital assets, net	$ 4,056,531	$ (41,483)	$ (34,169)	$ 3,980,879

5. DEFERRED REVENUE

Deferred revenue consists of the following at June 30, 2009:

Deferred federal and state revenue	$ 1,155,719
Deferred student fees	55,893
Deferred tuition and other student fees	340,526
Total deferred revenue	$ 1,552,138

6. LONG-TERM LIABILITIES

Capitalized Lease Obligations

The District leases certain equipment and software with a net book value of approximately $869,000 under long-term lease purchase agreements. The following is a schedule of future minimum lease payments for capitalized lease obligations as of June 30, 2009:

Year Ending June 30,	
2010	$ 209,453
2011	183,617
2012	183,617
2013	183,617
2014	183,617
2015-2019	372,128
	1,316,049
Less amount representing interest	(155,022)
Net present value of minimum lease payments	$ 1,161,027

Notes Payable

On April 6, 2005, the District entered into a note payable for $80,000 to fund a new rodeo practice arena. The note is secured by equipment, has a fixed interest rate of 6.5% and matures in August 2011. Future payments are scheduled as follows:

Year Ending June 30,	Principal	Interest	Total
2010	$ 11,594	$ 2,411	$ 14,005
2011	12,347	1,658	14,005
2012	13,150	855	14,005
	$ 37,091	$ 4,924	$ 42,015

6. LONG-TERM LIABILITIES (Continued)

District Changes in Long-Term Liabilities

A schedule of changes in District long-term liabilities for the fiscal year ended June 30, 2009 as shown below:

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009	Amounts Due Within One Year
Notes payable	$ 47,969		$ 10,878	$ 37,091	$ 11,594
Capitalized lease obligations	214,568	$ 1,106,900	160,441	1,161,027	208,570
Compensated absences	362,168		48,477	313,691	313,691
Retiree health benefits (Note 9)	1,216,254	338,286	207,033	1,347,507	
	$ 1,840,959	$ 1,445,186	$ 426,829	$ 2,859,316	$ 533,855

Foundation Student Housing Bonds

On May 1, 2003, the California Community College Financing Authority issued Student Housing Revenue Bonds in the amount of $3,415,000, comprised of $3,250,000 Series A Tax-exempt bonds and $165,000 Series B Taxable bonds, to fund a loan to the Foundation to acquire and improve a 110-bed student housing facility located on property adjacent to the main campus of Feather River Community College District, and to fund a debt service fund for the bonds and pay a portion of the costs of issuing the bonds. The bonds, with interest rates from 3.56% to 5.3% will mature in varying amounts through 2022. Future payments are scheduled as follows:

Year Ending June 30,	Principal	Interest	Total
2010	$ 135,000	$ 148,166	$ 283,166
2011	145,000	141,691	286,691
2012	150,000	134,869	284,869
2013	160,000	127,700	287,700
2014	160,000	120,300	280,300
2015-2019	935,000	464,413	1,399,413
2020-2023	1,265,000	162,558	1,427,558
	$ 2,950,000	$ 1,299,697	$ 4,249,697

6. LONG-TERM LIABILITIES (Continued)

Foundation Fitness Center Mortgage

On December 17, 2001, the Foundation entered into a commercial real estate loan agreement for $400,000 to purchase the Feather River Fitness and Recreation property. The loan is secured by a first deed of trust on the property, has a variable interest rate of 3.75% above the 5 Year Treasury Security, Adjusted to Constant Maturities index, and matures in 2016. Interest rate changes will not occur more often than each five years. Future payments, at the current rate of 8.69%, are scheduled as follows:

Year Ending June 30,	Principal	Interest	Total
2010	$ 5,523	$ 24,437	$ 29,960
2011	10,824	23,537	34,361
2012	11,806	22,555	34,361
2013	12,877	21,484	34,361
2014	14,045	20,316	34,361
2015-2017	205,553	44,961	250,514
	$ 260,628	$ 157,290	$ 417,918

Foundation Changes in Long-Term Liabilities

A schedule of changes in the Foundation's long-term liabilities for the year ended June 30, 2009 is as follows:

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009	Amounts Due Within One Year
Student housing bonds	$ 3,070,000		$ 120,000	$ 2,950,000	$ 135,000
Feather River Fitness and Recreation mortgage	282,371		21,743	260,628	5,528
Compensated absences	17,441	$ 9,153	12,468	14,126	14,126
	$ 3,369,812	$ 9,153	$ 154,211	$ 3,224,754	$ 154,654

The Foundation is subject to certain covenants in accordance with its long-term liability agreements. As of June 30, 2009, management believes the Foundation was in compliance with these covenants.

7. PROPERTY TAXES

All property taxes are levied and collected by the Tax Assessor of the County of Plumas and paid upon collection to the various taxing entities including the District. Secured taxes are levied on July 1 and are due in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively. The lien date for secured and unsecured property taxes is March 1 of the preceding fiscal year.

8. EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System, and classified employees are members of the Public Employees' Retirement System.

State Teachers' Retirement System (STRS)

Plan Description

All certificated employees and those employees meeting minimum standards adopted by the Board of Governors of the California Community Colleges and employed 50 percent or more of a full-time equivalent position participate in the Defined Benefit Plan (DB Plan). Part-time educators hired under a contract of less than 50 percent or on an hourly or daily basis without contract may elect membership in the Cash Balance Benefit Program (CB Benefit Program). The State Teachers' Retirement Law (Part 13 of the *California Education Code*, Section 22000 et seq.) established benefit provisions for STRS. Copies of the STRS annual financial report may be obtained from the STRS Executive Office, 100 Waterfront Place, West Sacramento, California 95605.

The State Teachers' Retirement Plan (STRP), a defined benefit pension plan, provides retirement, disability, and death benefits, and depending on which component of the STRP the employee is in, postretirement cost-of-living adjustments may also be offered. Employees in the DB Plan attaining the age of 60 with five years of credited California service (service) are eligible for "normal" retirement and are entitled to a monthly benefit of two percent of their final compensation for each year of service. Final compensation is generally defined as the average salary earnable for the highest three consecutive years of service. The plan permits early retirement options at age 55 or as early as age 50 with at least 30 years of service. Disability benefits of up to 90 percent of final compensation to members with five years of service. After five years of credited service, members become 100 percent vested in retirement benefits earned to date. If a member's employment is terminated, the accumulated member contributions are refundable. The features of the CB Benefit Program include immediate vesting, variable contribution rates that can be bargained, guaranteed interest rates, and flexible retirement options. Participation in the CB benefit plan is optional; however, if the employee selects the CB benefit plan and their basis of employment changes to half time or more, the member will automatically become a member of the DB Plan.

Funding Policy

Active members of the DB Plan are required to contribute 8% of their salary while the district is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2008-09 was 8.25% of annual payroll. The contribution requirements of the plan members are established by state statute. The CB Benefit Program is an alternative STRS contribution plan for instructors. Instructors who choose not to sign up for the DB Plan or FICA may participate in the CB Benefit Program. The District contribution rate for the CB Benefit Program is always a minimum of 4% with the sum of the district and employee contribution always being equal or greater than 8%.

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

State Teachers' Retirement System (STRS) (Continued)

Annual Pension Cost

The District's total contributions to STRS for the fiscal years ended June 30, 2009, 2008, and 2007 were $282,883, $266,770 and $254,141, respectively and equal 100% of the required contributions for each year. The State of California may make additional direct payments for retirement benefits to the STRS on behalf of all community colleges in the state. The revenue and expenditures associated with these payments, if any, have not been included in these financial statements. In their most recent actuarial valuation of the DB Plan as of June 30, 2008, the independent actuaries for STRS determined that, at June 30, 2008, the actuarial value of the DB program's actuarial accrued liabilities exceeded the program's actuarial value of assets by $22.5 billion. Based on this valuation, the current statutory contributions are sufficient to fund normal cost and amortize the actuarial unfunded obligation of $22.5 billion by 2030. However, future estimates of the actuarial unfunded obligation may change due to market performance, legislative actions and other membership related factors. In their most recent actuarial valuation of the CB Plan as of June 30, 2008, the independent actuaries for STRS determined that, at June 30, 2008, the actuarial value of the CB program's actuarial value of assets exceeded the program's accrued liabilities by $861,000. The STRS management is continually evaluating the impact of market fluctuations on the assets of the CB Program. However, future estimates of the actuarial unfunded obligation may change due to market performance, legislative actions and other membership related factors.

California Public Employees' Retirement System (CalPERS)

Plan Description

All full-time classified employees participate in the CalPERS, a multiple employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. Employees are eligible for retirement as early as age 50 with five years of service. At age 55, the employee is entitled to a monthly benefit of 2.0 percent of final compensation for each year of service credit. Retirement compensation is less if the plan is coordinated with Social Security. Retirement after age 55 increases the monthly benefit percentage rate to a maximum of 2.5 percent at age 63. The plan also provides death and disability benefits. Retirement benefits fully vest after five years of credited service. Upon separation from the Fund, members' accumulated contributions are refundable with interest credited through the date of separation. The Public Employees' Retirement Law (Part 3 of the *California Government Code*, Section 20000 et seq.) establishes benefit provisions for CalPERS. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

California Public Employees' Retirement System (CalPERS) (Continued)

Funding Policy

Active plan members are required to contribute 7% of their salary and the District is required to contribute an actuarially determined rate. The District's contribution rate to CalPERS for fiscal year 2008-09 was 9.43%.

Annual Pension Cost

The District's contributions to CalPERS for fiscal years ending June 30, 2009, 2008 and 2007 were $284,373, $262,584 and $233,105, respectively, and equaled 100 percent of the required contributions for each year. The actuarial assumptions used as part of the June 30, 2001, actuarial valuation (the most recent actuarial information available) included (a) an 8.25% investment rate of return (net of administrative expense); (b) an overall growth in payroll of 3.75% annually; and (c) an inflation component of 3.5% compounded annually that is a component of assumed wage growth, and assumed future post-retirement cost of living increases. The actuarial value of pension fund assets was determined by using a technique to smooth the effect of short-term volatility in the market value of investments.

Zahorik Tax Shelter Annuity Plan

Effective January 1, 1993, the District established alternative retirement plan options for part-time faculty as mandated by the Omnibus Budget Reconciliation Act of 1990. The District allows part-time and substitute employees to select coverage under either social security or the alternative retirement plan. Under the Zahorik Tax Shelter Annuity Plan, the District and the employee are required to each contribute 3.75% of the employee's earnings. For the year ended June 30, 2009, the District contributed $575 for the two employees participating in the plan.

9. POST-RETIREMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in Note 8, the District provides retiree and dependent medical coverage to eligible employees who retire from the District. Duration of benefits is calculated on a prorated basis, up to a maximum of 10 years, based on years of service. The District pays a set amount each month towards the cost of the medical coverage. Any costs in excess of this amount will be paid by the retiree.

Expenditures for post-retirement health care benefits for six of the current retirees are recognized as the premiums are paid. During the year ended June 30, 2009, expenditures of $50,344 were recognized by the Retiree Benefit Fund. The District funds the expenditures on the pay-as-you-go method.

9. POST-RETIREMENT HEALTH CARE BENEFITS (Continued)

For employees hired before August 1, 1994, a fund was established in 1995-96 to accumulate funds to pay for the District's share of future medical premiums of eligible future retirees. An actuarial valuation was performed as of May 25, 2006, to determine the estimated cost of providing the above stated benefits to current employees upon retirement. During the year ended June 30, 2009, expenditures of $156,689 were recognized for post-retirement health care benefits. The approximate accumulated future liability for the District at June 30, 2009 amounts to $1,347,507.

10. CONTINGENCIES

There are various claims and legal actions pending against the District for which no provision has been made in the basic financial statements. In the opinion of the District, any liabilities arising from these claims and legal actions are not considered significant.

The District has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements or future revenue offsets subsequently determined will not have a material effect on the District's financial position.

11. JOINT POWERS AGREEMENTS

The District is a member of Northern California Community Colleges Self Insurance Authority (NCCCSIA), a joint powers authority established to provide workers' compensation and property/liability insurance. The following is a summary of current financial information available for NCCCSIA at June 30, 2008 (the most recent information available):

Total assets	$ 13,032,136
Total liabilities	$ 7,479,422
Net assets	$ 5,552,714
Total revenues	$ 7,802,916
Total expenses	$ 8,697,521
Change in net assets	$ (894,605)

The District is also a member of Tri-County Schools Insurance Group (TRI-SIG). This is a joint powers authority providing health insurance. The following is a summary of current financial information for TRI-SIG at June 30, 2009:

Total assets	$ 30,299,333
Total liabilities	$ 9,462,303
Net assets	$ 20,837,030
Total revenues	$ 52,951,112
Total expenses	$ 51,651,853
Change in net assets	$ 1,299,259

11. JOINT POWERS AGREEMENTS (Continued)

In addition, the District is a member of Statewide Association of Community Colleges (SWACC). This is a joint powers authority, which provides excess liability coverage. The following is a summary of financial information at June 30, 2008 (the most recent information available):

Total assets	$ 39,034,338
Total liabilities	$ 19,175,367
Net assets	$ 19,858,971
Total revenues	$ 14,617,028
Total expenses	$ 12,646,297
Change in net assets	$ 1,970,731

The relationship between the District and the joint powers authorities are such that the joint powers authorities are not component units of the District for financial reporting purposes.

12. OPERATING EXPENSES

The following schedule details the functional classifications of the operating expenses reported in the statement of revenues, expenses and change in net assets for the year ended June 30, 2009.

	Salaries	Benefits	Supplies, Material and Other Operating Expenses	Utilities	Depre-ciation	Total
Instruction	$ 4,358,368	$ 801,809	$ 1,342,066			$ 6,502,243
Academic support	532,691	154,513	220,206			907,410
Student services	1,611,952	462,306	385,708			2,459,966
Operating and mainten-ance of plant	844,091	293,521	742,434			1,880,046
Institution support	917,500	725,935	764,528	$ 383,697		2,791,660
Community services and economic development			2,234			2,234
Auxiliary operations	269,207	76,966	108,884			455,057
Student aid			3,403,976			3,403,976
Depreciation					$ 501,965	501,965
	$ 8,533,809	$ 2,515,050	$ 6,970,036	$ 383,697	$ 501,965	$18,904,557

13. RELATED PARTY TRANSACTIONS

The Foundation is economically dependent on the District and the financial statements of the Foundation may not necessarily be indicative of the conditions or results of operations which would have existed had the Foundation been operated as an unaffiliated entity.

13. RELATED PARTY TRANSACTIONS (Continued)

The Foundation and the District have entered into an agreement regarding Feather River Fitness and Recreation whereby the District shall reimburse the Foundation for the cost to operate and maintain the facility and to repay the debt created by its purchase. For the fiscal year ended June 30, 2009, these payments totaled $188,714 and are included in contributions by Feather River College on the Statement of Revenues, Support, Expenses and Change in Net Assets.

14. PRIOR PERIOD ADJUSTMENT

During 2009, the District determined that construction in progress costs were not being capitalized in the fixed asset system. Capital assets and net assets were increased by $617,500 as of July 1, 2008 to correct this error.

15. SUBSEQUENT EVENT

Tax and Revenue Anticipation Notes

On July 8, 2009, the District issued $1,905,000 of Tax and Revenue Anticipation Notes (TRAN) held in trust with Plumas County Treasury, maturing on June 30, 2010, with an interest rate of 2.0%, to provide for anticipated cash flow deficits from operations. The TRAN is a general obligation of the District, and is payable from revenues and cash receipts to be generated by the District during the fiscal year ended June 30, 2010.

SUPPLEMENTAL INFORMATION

PERRY-SMITH
THE POWER OF CONFIDENCE

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Sacramento, CA 95814
www.perry-smith.com
916.441.1000

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

Board of Trustees
Feather River Community College District
Quincy, California

We have audited the basic financial statements of Feather River Community College District as of and for the year ended June 30, 2009, and have issued our report thereon dated February 18, 2010. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards for financial and compliance audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the California Community Colleges Contracted District Audit Manual, presented by the Chancellor's office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental financial and statistical information including the Schedules of Federal and State Financial Awards and the reports listed below, is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements of Feather River Community College District and includes the following schedules:

- Schedule of Federal Financial Awards
- Schedule of State Financial Awards
- Schedule of Workload Measures for State General Apportionment
- Reconciliation of Annual Financial and Budget Report (CCFS-311) with Audited Basic Financial Statements
- Notes to Supplemental Information

The information in these schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION
(Continued)

The supplemental combining statement of net assets by fund and combining statement of revenues, expenditures and change in net assets by fund on pages 46 through 49 have been presented for the purpose of additional analysis and are not a required part of the basic financial statements. Accordingly, we have not been subjected to the auditing procedures applied in the audit of the basic financial statements and we express no opinion on them.

Perry-Smith LLP

Sacramento, California
February 18, 2010

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

ORGANIZATION

June 30, 2009

The Feather River Community College District is located in Quincy, California. Geographically, the District encompasses all of Plumas County with the exception of the southeastern corner of the County, near Calpine, California.

The District provides the first two years of instruction transferable to accredited four-year colleges and universities as well as vocational and technical education.

The Board of Trustees and District Administration for the fiscal year ended June 30, 2009 were composed of the following members:

BOARD OF TRUSTEES

Members	Office	Term Expires
Mr. William Elliott	President	November 2010
Dr. Irene Burkey	Vice-President	November 2012
Mr. John Schramel	Member	November 2010
Mr. John Sheehan	Member	November 2012
Ms. Leah West	Member	November 2010

DISTRICT ADMINISTRATION

Dr. Ronald Taylor
President/District Superintendent

Mr. James Scoubes
Chief Financial Officer

Dr. Michael Bagley
Chief Instructional Officer

Mr. Dennis Bailey-Fougnier
Chief Student Services Officer

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

COMBINING STATEMENT OF NET ASSETS BY FUND

June 30, 2009

	General	Capital Outlay Projects Fund	Child Development Fund	Student Financial Aid Fund
Assets				
Current assets:				
Cash and cash equivalents	$ 2,561,656	$ 912,180	$ 34,925	$ 196,121
Student fees receivable, net	699,030			
Accounts receivable, net	879,479	227,590	4,175	99,662
Due from other funds	154,957	72,681	47,431	5,111
Stores inventories				
Prepaid expenses	80,258			
Total current assets	4,375,380	1,212,451	86,531	300,894
Noncurrent assets:				
Restricted cash and cash equivalents				
Capital assets, net				
Total noncurrent assets				
Total assets	4,375,380	1,212,451	86,531	300,894
Liabilities				
Current liabilities:				
Accounts payable	807,161	25,648	(9,563)	106,464
Deferred revenue	1,474,399	77,739		
Compensated absences payable				
Amounts held in trust	6,400			
Long-term debt – current portion				
Due to other funds	127,399	3,923	4,047	146,987
Total current liabilities	2,415,359	107,310	(5,516)	253,451
Noncurrent liabilities:				
Long-term debt – noncurrent portion				
Total liabilities	2,415,359	107,310	(5,516)	253,451
Net Assets				
Invested in capital assets, net of related debt				
Restricted for capital projects		1,105,141		
Restricted for other special purposes	80,258			
Unrestricted	1,879,763		92,047	47,443
Total net assets	$ 1,960,021	$ 1,105,141	$ 92,047	$ 47,443

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

COMBINING STATEMENT OF NET ASSETS BY FUND
(Continued)
June 30, 2009

	Bookstore Fund	Totals	Reconciling Adjustments/ Eliminations	Statement of Net Assets
Assets				
Current assets:				
Cash and cash equivalents	$ 235,175	$ 3,940,057		$ 3,940,057
Student fees receivable, net		699,030		699,030
Accounts receivable, net	10,303	1,221,209		1,221,209
Due from other funds		280,180	$ (280,180)	
Stores inventories	33,811	33,811		33,811
Prepaid expenses		80,258		80,258
Total current assets	279,289	6,254,545	(280,180)	5,974,365
Noncurrent assets:				
Restricted cash and cash equivalents			1,370,545	1,370,545
Capital assets, net			5,092,557	5,092,557
Total noncurrent assets			6,463,102	6,463,102
Total assets	279,289	6,254,545	6,182,922	12,437,467
Liabilities				
Current liabilities:				
Accounts payable	(2,518)	927,192	2,176	929,368
Deferred revenue		1,552,138		1,552,138
Compensated absences payable			313,691	313,691
Amounts held in trust	(3,550)	2,850	1,370,545	1,373,395
Long-term debt – current portion			220,164	220,164
Due to other funds		282,356	(282,356)	
Total current liabilities	(6,068)	2,764,536	1,624,220	4,388,756
Noncurrent liabilities:				
Long-term debt – noncurrent portion			2,325,461	2,325,461
Total liabilities	(6,068)	2,764,536	3,949,681	6,714,217
Net Assets				
Invested in capital assets, net of related debt			3,894,439	3,894,439
Restricted for capital projects		1,105,141		1,105,141
Restricted for other special purposes		80,258		80,258
Unrestricted	285,357	2,304,610	(1,661,198)	643,412
Total net assets	$ 285,357	$ 3,490,009	$ 2,233,241	$ 5,723,250

See accompanying notes to
supplemental information

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

COMBINING STATEMENT OF REVENUES, SUPPORT, EXPENSES AND CHANGE IN NET ASSETS BY FUND

Year Ended June 30, 2009

	General	Capital Outlay Projects Fund	Child Development Fund	Student Financial Aid Fund
Operating revenues:				
Tuition and fees	$ 1,270,897			
Less: Scholarship discounts and allowance				
Net tuition and fees	1,270,897			
Grants and contracts, non-capital:				
Federal	1,335,745	$ 5,398	$ 12,379	$ 3,096,016
State	1,407,415	251,058	130,686	85,412
Local	740,459	94,302	20,128	
Auxiliary enterprise sales and charges				
Total operating revenues	4,754,516	350,758	163,193	3,181,428
Operating expenses:				
Salaries	8,335,869		176,570	
Employee benefits	2,009,087		44,843	
Supplies, materials and other operating expenses and services	4,049,696	409,943	11,506	3,187,471
Utilities				
Depreciation				
Total operating expenses	14,394,652	409,943	232,919	3,187,471
Operating (loss) income	(9,640,136)	(59,185)	(69,726)	(6,043)
Non-operating revenues (expenses):				
State apportionment, noncapital	4,245,429			
Local property taxes	6,115,981			
State taxes and other revenues	303,014			
Interest expense on capital asset-related debt, net	(10,080)			
Interest income	113,633	13,910	1,329	
Debt reduction	(172,790)			
Interfund transfers out	(851,872)			
Interfund transfers in	8,481	465,775	72,883	
Total non-operating revenues (expenses)	9,751,796	479,685	74,212	
Income (loss) before capital revenues	111,660	420,500	4,486	(6,043)
Capital revenues:				
State apportionment				
Local property taxes and other revenues, capital				
Grants and gifts, capital				
Total capital revenues				
Change in net assets	111,660	420,500	4,486	(6,043)
Net assets, June 30, 2008, as previously reported	1,848,361	684,641	87,561	53,486
Prior period adjustment (Note 14)				
Net assets, June 30, 2008, as restated	1,848,361	684,641	87,561	53,486
Net assets, end of year	$ 1,960,021	$ 1,105,141	$ 92,047	$ 47,443

(Continued)

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

COMBINING STATEMENT OF REVENUES, SUPPORT, EXPENSES AND CHANGE IN NET ASSETS BY FUND
(Continued)
Year Ended June 30, 2009

	Bookstore Fund	Totals	Reconciling Adjustments/ Eliminations	Statement of Revenues, Expenses and Change in Net Assets
Operating revenues:				
Tuition and fees		$ 1,270,897	$ (330,478)	$ 940,419
Less: Scholarship discounts and allowance			(166,728)	(166,728)
Net tuition and fees		1,270,897	(497,206)	773,691
Grants and contracts, non-capital:				
Federal		4,449,538		4,449,538
State		1,874,571	(77,619)	1,796,952
Local	$ (585)	854,304		854,304
Auxiliary enterprise sales and charges	125,557	125,557		125,557
Total operating revenues	124,972	8,574,867	(574,825)	8,000,042
Operating expenses:				
Salaries	69,847	8,582,286	(48,477)	8,533,809
Employee benefits	25,134	2,079,064	435,986	2,515,050
Supplies, materials and other operating expenses and services	14,011	7,672,627	(702,591)	6,970,036
Utilities			383,697	383,697
Depreciation			501,965	501,965
Total operating expenses	108,992	18,333,977	570,580	18,904,557
Operating (loss) income	15,980	(9,759,110)	(1,145,405)	(10,904,515)
Non-operating revenues (expenses):				
State apportionment, noncapital		4,245,429		4,245,429
Local property taxes		6,115,981		6,115,981
State taxes and other revenues		303,014		303,014
Interest expense on capital asset-related debt, net		(10,080)	(1,411)	(11,491)
Interest income	2,391	131,263		131,263
Debt reduction		(172,790)	172,790	
Interfund transfers out		(851,872)	851,872	
Interfund transfers in		547,139	(547,139)	
Total non-operating revenues (expenses)	2,391	10,308,084	476,112	10,784,196
Income (loss) before capital revenues	18,371	548,974	(669,293)	(120,319)
Capital revenues:				
State apportionment			77,619	77,619
Local property taxes and other revenues, capital			12,642	12,642
Grants and gifts, capital			484,564	484,564
Total capital revenues			574,825	574,825
Change in net assets	18,371	548,974	(94,468)	454,506
Net assets, June 30, 2008, as previously reported	266,986	2,941,035	1,710,209	4,651,244
Prior period adjustment (Note 14)			617,500	617,500
Net assets, June 30, 2008, as restated	266,986	2,941,035	2,327,709	5,268,744
Net assets, end of year	$ 285,357	$ 3,490,009	$ 2,233,241	$ 5,723,250

See accompanying notes to supplemental information.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FEDERAL FINANCIAL AWARDS

For the Year Ended June 30, 2009

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Catalog Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Student Financial Aid Cluster:			
College Work-Study	84.033		$ 24,770
Higher Education Act:			
Pell Grant Program	84.063		1,501,370
Federal Loan Program	84.032		1,597,190
Supplementary Educational Opportunity Grant	84.007		24,400
Academic Competitiveness Grant	84.376		11,400
Subtotal Student Financial Aid Cluster			3,159,130
Vocational and Applied Technology Educational Act – Title IIC	84.048		49,451
Title III	84.031A		125,061
TRIO – Student Support Services	84.042		680,298
California Community College Association for Occupational Development	84. unknown		18,873
Total U.S. Department of Education			4,032,813
U.S. Department of Agriculture			
Child Care Food Program	10.558		12,379
Forest Reserve	10.670		365,775
Greenhouse Grant	10. unknown		4,278
Watershed Grant	10. unknown		1,120
Total U.S. Department of Agriculture			383,552
U.S. Department of Health and Human Services			
Child Development Training Consortium	93.575		7,048
Temporary Assistance for Needy Families (TANF)	93.558		26,125
Total U.S. Department of Health and Human Services			33,173
Total Federal Programs			$ 4,449,538

See accompanying notes to supplemental information.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

SCHEDULE OF STATE FINANCIAL AWARDS

For the Year Ended June 30, 2009

	Program Entitlements			Program Revenues				
	Current Year	Prior Year Carryover	Total	Cash Received	Accounts Receivable	Deferred Revenue	Total	Program Expend-itures
State:								
State Career Tech Education	$ 500,000	$ 369,700	$ 869,700	$ 869,700		$ 765,151	$ 104,549	$ 104,549
Cal Grants	125,000		125,000	85,410			85,410	85,410
Disabled Student Programs and Services	285,180		285,180	253,638	$ 29,095		282,733	282,733
Extended Opportunity Programs and Services	244,796		244,796	210,392	31,041		241,433	241,433
Matriculation	86,482		86,482	74,518		5,536	68,982	68,982
Cooperative Agency Resource Education	38,612		38,612	35,425	3,187		38,612	38,612
AB 1725 Staff Development		4,950	4,950	4,950		1,434	3,516	3,516
Equal Employment Opportunity	8,830	2,403	11,233	9,903		1,117	8,786	8,786
Lottery/Instructional Materials	10,000	6,941	16,941	8,655	1,730		10,385	10,385
Child Development	129,309		129,309	129,309			129,309	129,309
Child Development Instructional Equipment	500		500	500			500	500
Child Care Food Program	877		877	785	92		877	877
Child Development Early Childhood Mentoring Program	1,211		1,211	1,211		731	480	480
Workability	72,930		72,930	45,656	27,258		72,914	72,914
Instructional Equipment	100,000	1,749	101,749	93,749	8,000		101,749	101,749
Cal Works	111,375		111,375	84,240	27,135		111,375	111,375
Telecommunications	93,807		93,807	90,924		45,012	45,912	45,912
Boating Safety	27,100		27,100		15,892		15,892	15,892
Part Time Faculty Hours	74,056		74,056	73,130	926		74,056	74,056
Pre-K Grant	2,149		2,149	537	1,380		1,917	1,917
BFAP 2%	10,000		10,000	3,238	325		3,563	3,563
Nursing Education	51,586		51,586	51,586		5,814	45,772	45,772
Deferred Maintenance	54,556		54,556	54,556		39,120	15,436	15,436
Transfer Education/Articulation	4,000		4,000	4,000		4,000		
Basic Skills	100,000	59,341	159,341	151,341		21,658	129,683	129,683
One Time General Use Funds	105,998	3,294	109,292	101,292		100,258	1,034	1,034
Workforce Development Grant	289		289	289		131	158	158
Block Grant/600 Remodel	25,758		25,758	25,758		25,758		
Block Grant/Library Remodel	50,000		50,000	46,000		46,000		
Sierra Nevada Cons. Hatchery Grant	40,940		40,940	21,034	15,850		36,884	36,884
Child Care and Development Fund	2,000		2,000	500	1,480		1,980	1,980
LRC Capital Outlay	7,524,000		7,524,000	24,719	226,339		251,058	251,058
Total State Programs	$ 9,881,341	$ 448,378	$ 10,329,719	$ 2,556,945	$ 389,730	$ 1,061,720	$ 1,884,955	$ 1,884,955

See accompanying notes to supplemental information.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT

Annualized Attendance as of June 30, 2009

Categories	Reported Data	Audit Adjustments	Revised Data
A. Summer Intersession			
1. Noncredit	-		-
2. Credit	306		306
B. Summer Intersession			
1. Noncredit	-		-
2. Credit	124		124
C. Primary Terms			
1. Census Procedure Courses			
a. Weekly Census Contact Hours	1,019		1,019
b. Daily Census Contact Hours	65		65
2. Actual Hours of Attendance Procedure Courses			
a. Noncredit	26		26
b. Credit	236		236
3. Independent Study/Work Experience			
a. Weekly Census Contact Hours	15		15
b. Daily Census Contact Hours	1		1
c. Noncredit Independent Study/Distance Education Courses	-		-
D. Total FTES	1,792	-	1,792
Supplemental Information:			
E. In-Service Training Courses (FTES)	53		53
H. Basic Skills Courses and Immigrant Education			
a. Noncredit	22		22
b. Credit	45		45
CCFS 320 Addendum			
CDCP Noncredit FTES	-		-
Centers FTES			
a. Noncredit	-		-
b. Credit	-		-

See accompanying notes to supplemental information.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH AUDITED FINANCIAL STATEMENTS

For the Year Ended June 30, 2009

	Bookstore Fund
Fund balance per CCFS-311	$ 269,374
Understatement of inventory	15,984
Audited fund balance	$ 285,358

There were no adjustments proposed to any other funds of the District.

See accompanying notes to supplemental information.

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

NOTES TO SUPPLEMENTAL INFORMATION

1. PURPOSE OF SCHEDULES

A - Schedule of Federal Financial Awards

OMB Circular A-133 requires a disclosure of the financial activities of all federally funded programs. To comply with A-133 and state requirements, this schedule was prepared by the District. Differences exist between the revenues shown on the schedule and the general purpose financial statements for the following reasons:

- Various program revenues are recorded in the current year for prior year claims, related expenditures were incurred in prior years.
- Amounts reported as revenue may not represent final claim amounts, due to the timing of filing the final claims, and the closing of the District's records.

B - Schedule of Workload Measures for State General Apportionment

Full-time equivalent students is a measurement of the number of students attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

C - Reconciliation of Annual Financial and Budget Report (CCFS-311) with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds and account groups reported on the CCFS-311 to the audited financial statements.

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Sacramento, CA 95814
www.perry-smith.com
916.441.1000

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE REQUIREMENTS

Board of Trustees
Feather River Community College District
Quincy, California

We have audited the basic financial statements of Feather River Community College District for the year ended June 30, 2009, and have issued our report thereon dated February 18, 2010.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and the standards for financial and compliance audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit referred to above, we selected and tested transactions and records to determine the District's compliance with the following state laws and regulations in accordance with Section 400 of the Chancellor's Office's *California Community Colleges Contracted District Audit Manual* (CDAM):

General Directives

Management Information System Implementation – State General Apportionment Required Data Elements

Administration

Apportionments – Apportionment for Instructional Service Agreements/Contracts
Apportionments – Residency Determination For Credit Courses
Apportionments – Concurrent Enrollment of K-12 Students In Community College Credit Courses
Apportionments – Enrollment Fee
Apportionments – Students Actively Enrolled
Fiscal Operations – Salaries of Classroom Instructors (50 Percent Law)
Fiscal Operations – Gann Limit Calculation
Open Enrollment
Student Fees – Instructional Materials Fees and Health Fees

Student Services

Matriculation – Uses of Matriculation Funds
CalWorks – Use of State and Federal TANF Funding

Facilities

Scheduled Maintenance Program

Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the Feather River Community College District complied, in all material respects with the aforementioned requirements for the year ended June 30, 2009, except as described in the Schedule of Audit Findings and Questioned Costs section of this report.

This report is intended solely for the information and use of the Board of Trustees, District management, and the Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Perry-Smith LLP

Sacramento, California
February 18, 2010

FEATHER RIVER COLLEGE
BUSINESS SERVICES

PROGRAM REVIEW

APPENDIX C

PROFESSIONAL DEVELOPMENT

PROFESSIONAL DEVELOPMENT

The Professional Development requests for additional and enhanced training is available to all employees dependent upon availability of funding. Every attempt is made to provide training and review to enhance job responsibilities and effectiveness at every position level. The below list represents areas identified upon request to strengthen the Business Services area. The below list is contingent upon specific needs that will be evaluated as required and is subject to changes and additions.

Chief Accountant:

- GASB requirements for financial statements
- Community College level accounting
- Banner 8 Financial Reporting System

Administrative Assistant/Bookkeeper:

- Banner 8 Payroll and Financial Reporting System

Purchasing:

- Cal-Card Program training
- Maximum Asset Management Services training
- Banner 8 Financial Reporting System

Payroll:

- STRS (State Teachers Retirement System)
- PERS (Public Employees Retirement System)
- Banner 8 Payroll and Financial Reporting System

Bookstore:

- Bookstore Association and vendor conference
- Banner 8 Financial Reporting System

Duplicating Services:

- Web-site Design workshop
- Publishing/Graphic Design workshop
- Banner 8 Financial Reporting System

Switchboard:

- Banner 8 Financial Reporting System
- Postal rate mailings

Food Services:

- Banner 8 Financial Reporting System
- Culinary classes

FEATHER RIVER COLLEGE
BUSINESS SERVICES

PROGRAM REVIEW

APPENDIX D

PURCHASING GUIDE

Feather River College

a beautiful place to learn!

A GUIDE TO

PURCHASING SERVICES

WHAT YOU SHOULD KNOW ABOUT
FEATHER RIVER COMMUNITY COLLEGE DISTRICT
PURCHASING PROCESS

Employees are encouraged to seek information on products and services from vendors. To help you avoid some of the common pitfalls in dealing with vendors, the following guidelines are suggested:

- Advise the Purchasing Agent in advance of contacting vendors.
- Contact more than one vendor whenever possible. The more alternatives, the better.
- Give the same information to all vendors, so each has an equal opportunity to compete.
- Do not commit the District by offering an order to a vendor. ONLY a signed purchase order can commit the District.
- NEVER accept payments, gifts, or favors from vendors.

HOW CAN I HELP?

- Get a faxed price quote from the vendor. Catalog prices are subject to change. Ask the vendor to include all shipping and handling charges in quote.
- Plan ahead. Provide the Purchasing Agent with as much advanced notice as possible to ensure quality service.
- Verify that funds are available before submitting a request.
- Type or write legibly.
- Don't underestimate shipping and handling charges (most people do!)
- If you have a problem or if in doubt, call the Purchasing Agent.

TO ALL EMPLOYEES OF FEATHER RIVER COMMUNITY COLLEGE DISTRICT:

This brochure is designed as a guide to Feather River Community College District purchasing services and procedures. For further information, please contact the Purchasing Agent at extension 231.

WHAT SERVICES DOES THE PURCHASING AGENT PROVIDE?

- Purchases of goods and services.
- Provide information about products, prices, and specifications.
- Maintains a Mini-Mall of commonly used, expendable office supplies.
- Maintains an inventory of assets with a value of $750 or greater.
- Controls the disposal of surplus property.
- Purchasing assistance to District employees.

WHAT OTHER SERVICES ARE OFFERED?

- Purchasing orientation for new personnel—call to schedule a meeting.
- List of all supplies carried in the Mini-Mall—call for a copy.
- Vendor catalog library—hundreds of catalogs and contracts available for your use.
- Purchasing assistance—when in doubt, call the Purchasing Agent. The Purchasing Agent can help you through the purchasing process.

WHO HAS THE LEGAL AUTHORITY TO PURCHASE?

- Board policy prohibits individuals from incurring any expense without a purchase order signed by the Superintendent/President or the Chief Financial Officer/Director of Business Services.

- Individuals who purchase goods and services prior to the issuance of a purchase order may be held personally liable for those expenditures. The District is legally responsible ONLY for purchases made pursuant to policy.

PLEASE REMEMBER: A REQUISITION IS NOT A PURCHASE ORDER

HOW DO I REQUEST GOODS AND SERVICES?

- Submit a purchase requisition. (Please note that a requisition is not a purchase order.)

  - ✓ Forms available in the Purchasing Office or Business Office.
  - ✓ The requisition form comes in three parts. Submit the first two copies, with approval, to the Purchasing Office. Retain the last copy for your records.
  - ✓ Requisitioner may designate a vendor, although the Purchasing Agent may substitute vendors in order to obtain better pricing.
  - ✓ If Requisitioner designates a vendor, please provide vendor name, address, fax number, and phone number.
  - ✓ If Requisitioner designates a vendor that has been used in the past, please include the vendor number

- Once goods or services are received, payment is normally made within two (2) weeks of receipt of an invoice.

WHAT ABOUT END-OF-YEAR PURCHASES?

- The Fiscal Year ends on June 30th.
- April 15th is the recommended deadline for submitting purchase requisitions for the current fiscal year.
- Goods must be received by June 30th and invoices received by July 15th in order to be charged to the current year's budget.

HOW IS PURCHASED MATERIALS RECEIVED AND DELIVERED?

- Receiving (Facilities/Maintenance Department) accepts all shipments, verifies that the correct items and quantities were shipped, and notifies the requisitioner.
- If you receive a shipment directly, please notify Receiving immediately.
- If you need to return something, please contact the Purchasing Agent prior to returning the item(s).

HOW ARE ASSETS CONTROLLED?

- Receiving (Facilities/Maintenance Department) tags all items valued at $750.00 or more.
- Complete an Inventory Change Notice and forward to the Purchasing Agent before relocating any tagged item. (Forms are available in the Business Office.)
- As a property custodian, you may occasionally be asked to verify a list of tagged items in your area.

SUGGESTIONS FOR DEALING WITH VENDORS

- Blanket purchase orders that do not enable the District to obtain the best pricing may be denied.

ARE THERE ALTERNATE METHODS OF OBTAINING GOODS AND SERVICES?

Mini-Mall

- Located inside the Purchasing Office.
- Open 8:00 a.m. to 5:00 p.m., Monday through Friday
- Contains commonly used, expendable office supplies.
- All items are provided at no charge to the individual's budget code.

Petty Cash

- Obtain verbal approval from Budget Authority to expend funds.
- Submit original receipt to Purchasing Agent to receive reimbursement. Receipt must indicate budget to be charged and be signed by Budget Authority.
- Petty Cash is limited to expenditures of $100.00 or less.

Bookstore Purchases

- Supplies not available through the Mini-Mall may be purchased at the Bookstore and charged to the appropriate budget.
- All Bookstore charges must be pre-approved by the Site Manager.

HOW ARE GOODS AND SERVICES PAID FOR?

on the purchase requisition. The vendor number can be obtained from the requisition copy of prior purchase requisitions.
  - ✓ Provide complete description of the item(s) or service(s) to be purchased. Include catalog numbers if applicable.
  - ✓ Sales tax must be included for all taxable items. If the vendor does not charge sales tax, it will be paid directly to the state of California as a use tax. The current sales tax rate for Plumas County is 7.25%.
  - ✓ Include shipping and handling charges. Estimate if exact cost is unknown. Enter zero (0) if none.
  - ✓ Obtain Budget Authority's signature.
  - ✓ Obtain Information Services Director's signature when purchasing computer hardware or software.

- Quotes—Purchasing Agent will solicit quotes/bids in accordance with the following Board Policy:
  - ✓ Less than $4,000.00—One (1) verbal quote.
  - ✓ $4,000.000 to 10,000—Three (3) verbal quotes.
  - ✓ $10,000.00 or more—Three (3) written quotes.
  - ✓ Work consisting of $15,000 or more or tangible goods costing more than $78,500-Formal Advertising and receipt of sealed bids.

- Sole Source or Proprietary Purchases—Quotes are not required. In some cases, there is only one source for your purchase requirement. Sole source purchases MUST include a COMPLETE justification for the sole source. Submission of justification, even though approved by purchasing, does not negate the requirement to obtain pricing confirmation from the specified vendor. For examples of sole source justifications, please contact the Purchasing Agent.

- Independent Contractors—To purchase the services of an independent contractor, contact the Human Resources Department. They will provide you with the necessary forms and instructions.

NOTE: A service contract must be completed and a purchase order issued before an independent contractor provides services or goods. Independent contractors will receive payment for their services by submitting an invoice to the District. Invoices will not be accepted for work not yet performed.

HOW LONG DOES IT TAKE TO GET A PURCHASE ORDER?

- Purchase orders are issued with two (2) weeks of receipt of an approved requisition. Allow at least ninety (90) days if the purchase requires formal advertising and the receipt of sealed bids.

HOW WILL I KNOW MY REQUEST HAS BEEN PROCESSED?

- The Purchasing Agent will return a copy of your requisition to you, showing the date ordered and purchase order number.
- Contact the Purchasing Agent for status of pending orders.

HOW CAN I SPEED UP THE PURCHASING PROCESS?

- Provide a fax number.
- Obtain your own quotes. Documentation must include:
  - ✓ Specifications
  - ✓ Name, title, and phone number of person providing quote.
  - ✓ Date of quote.
  - ✓ Price quoted (including sales tax and shipping/handling fees)
  - ✓ Signature of person obtaining quote (if verbal quote).
  - ✓ Signature of person providing quote (if written quote).
  - ✓ Include the vendor number. The vendor number can be obtained from the requisition copy of prior purchase requisitions (yellow copy).
- Attach above information to your requisition before forwarding to purchasing.
- Purchasing Agent must handle purchases that require formal advertising and the receipt of sealed bids

IT'S AN EMERGENCY! HOW DO I GET A PURCHASE ORDER FAST?

In an emergency, you may submit an approved requisition and obtain a purchase order number immediately. This procedure is reserved for actual emergencies. In general, purchasing requirements should be anticipated and requisitions submitted well before the goods and services are received.

HOW DO I GET A PURCHASE ORDER FOR THAT "REGULAR" VENDOR?

- Request a blanket purchase order by submitting a requisition formatted as follows:

  Blanket purchase order for
  _____
  (goods or services covered)
  Authorized Signatures:
  Total charges not to exceed $ _____
  Expires June 30, 2_____

FEATHER RIVER COLLEGE
BUSINESS SERVICES

PROGRAM REVIEW

APPENDIX E

FRC STRATEGIC PLANNING GOALS & OBJECTIVES 2010 - 2013

Feather River College

Strategic Plan

2010-2013

Superintendent/President's Message

The faculty, staff and students of Feather River College are proud to present the following new Strategic Plan to our Board of Trustees and to the larger community we serve. As you will see, the new plan is based on thorough consideration of input from the communities of our service area, from our students, and from the staff and the teachers who interact daily with our students. While the college's Strategic Plan is a flexible, evolving set of goals and objectives due to the changing times in which we live, it nevertheless provides a central point of reference for our work. It embodies our response to the changing conditions under which we strive to provide outstanding instruction and support services to students seeking a higher education in our area. It enacts the values we honor.

I hope you will be pleased with the new directions mapped out in this document. If you have questions about any aspect of the plan, please do not hesitate to contact my office.

You will find updated information on the college's website. Go to www.frc.edu and type "Planning" in the search bar to access the planning webpage, where you will find the Strategic Plan along with updates and the latest progress reports on these objectives.

Sincerely,

Ron Taylor

Ron Taylor

Development of the Plan

The 2010-13 Strategic Plan has been developed in a thoroughly collaborative, reflective, and data-based manner, using a variety of inputs and perspectives. The college's Strategic Planning Committee took the lead responsibility, but many faculty, staff and students contributed comments and suggestions that worked their way into the finished product in one way or another. Community members also contributed ideas through several community forums. The temporal development of the plan is detailed in Appendix A, "Development of the 2010-13 Strategic Plan and Revised Mission Statement." Assumptions on which the plan was based are reviewed in Appendix B, "Planning Assumptions and Relation to Other Plans."

Structure and Philosophy of the Plan

The goals and objectives of Feather River College's 2010 – 2013 Strategic Plan are organized under the four ACCJC accreditation standards and provide a foundation for integrated planning.

Each specific objective is also tied to an underlying principle or theme that serves as the philosophical underpinnings for the operations and relationships of the College. These themes are *Communication, Culture, Leadership* and *Sustainability*.

As a college, we believe that quality *communication* is essential in all our relationships within and outside of the campus setting. We believe that a *culture* of respect, appreciation for the benefits of higher education, and enthusiasm for working with students is foundational for our operations. Feather River College acknowledges and embraces its *leadership* role in our communities and region: as an institution of higher education, we believe that we can and should lead with creative thought, ethical leadership, and innovation. The theme of sustainability aims to "meet the needs of the present without compromising the ability of future generations to meet their own needs."[1] Within the context of FRC, *sustainability* includes support for regional economic growth, energy self-sufficiency, environmental stewardship, social responsibility, and the integration of these ideas into curriculum where appropriate. Communication, Culture, Leadership and Sustainability reach across all aspects of college philosophy and operations, and will frame decision-making that guides the future of Feather River College.

[1] Brundtland Commission, 1987

Statement of Mission

Feather River College provides high-quality, comprehensive student learning and education and workforce preparation in a small college environment. The College provides general education, Associate's Degrees, transfer programs, and life-long learning for a diverse student population. The College serves as a community, cultural, and economic leader encompassing all communities that lie within the District and embraces the opportunities afforded by its natural settings.

Statement of Vision

Feather River College believes that the world of tomorrow will be shaped by what happens to the individual and the community today. Our mission is to enhance, through learning, the unique potential of every person entering our doors and to nourish the quality of life in our communities and service areas. The fulfillment of our mission involves the following values:

- **Develop the Mind**
  We believe that diversity of opinion in all issues helps develop the minds of students so that they may make sound judgments of value in the continuing pursuit of lifelong learning.

- **Celebrate the Individual**
  We celebrate the uniqueness of the individual by affirming that personal identity and cultural heritage are the base from which each person may aspire to any height.

- **Open Doors**
  We pledge that the doors of opportunity and encouragement will be open to everyone who can benefit and that our guiding principle in approaching students is to provide accessibility to all that the College has to offer.

- **Nourish the Communities**
  As a member of our communities, we take pride in affirming an active partnership in improving the quality of life and economic development in our area.

- **Strive for Excellence**
  We are committed to the creation of a quality learning environment, striving for excellence at all levels, fully supported by adequate resources, so that our students will have the best chance to learn.

The following goals and objectives were adopted by the Feather River Community College Board of Trustees on August 19, 2010.

Strategic Direction I

Institutional Effectiveness: College policies and processes ensure the effectiveness of the teaching / learning culture while improving communication and collaboration.

Goal 1.1 - To achieve the institutional capacity necessary to fulfill the College's mission, the College will implement processes and allocate resources to ensure effectiveness in completing its activities and maintaining compliance with legal requirements.

- Objective 1.1.1: An evaluation of the annual planning process will be conducted and findings used to improve overall integrated planning. This will include the development of a timeline for regular evaluation of core values, ethics, mission and vision.

- Objective 1.1.2: The academic calendar committee will continue to lead the process of developing, analyzing and potentially implementing an alternative academic calendar.

- Objective 1.1.3: A process analysis will take place to examine College systems that need improvement, such as student registration and payment procedure.

- Objective 1.1.4: Strategies will be implemented to communicate internally and externally about College events and programs and to promote Board of Trustees participation.

- Objective 1.1.5: Decision-making bodies will base recommendations and actions on data and input from internal and external sources.

- Objective 1.1.6: The College will expand and reinstate student learning opportunities in appropriate fields and disciplines based on the Educational Master Plan.

- Objective 1.1.7: The College will build a stronger connection with its geographically expansive community by identifying needs and interests and working to meet them.

- Objective 1.1.8: The College will encourage community diversity and deepening of students' relationships with the broader community through the use of experiential teaching methods like internships and service learning.

Strategic Direction II

Student Learning: Educational programs and comprehensive instructional and other student services are responsive to the assessment of learning outcomes.

Goal 2.1 - To create a campus culture of collaborative inquiry and continuous improvement of instruction and student services, the College will achieve proficiency institutionalizing the use and assessment of student learning outcomes at the course, program, and institutional levels.

Objective 2.1.1: Accreditation rubrics for planning, program review and student learning outcomes will be reviewed by the appropriate collegial governance committees, leading to full implementation of an action plan.

Goal 2.2 - The College will support coursework, programs and services that promote the "whole student" to bring success and civic engagement to its diverse student population while promoting self-sufficiency.

- Objective 2.2.1: The Basic Skills Committee will annually review and update its basic skills plan to ensure resources are adequate for expected increased student demand for basic skills support.
- Objective 2.2.2: The Office of Instruction will work with the Council on Instruction to review and improve class scheduling and academic calendar procedures.
- Objective 2.2.3: A review of current practices in counseling, advising, transfer and articulation will be completed and compared to best practices, resulting in an action plan that addresses a "self-sufficient student" model.
- Objective 2.2.4: An action committee will be formed to address student needs in housing, food service, student activities, student employment, scholarships, teacher-assistant program, access to technology, bookstore, and other aspects of student life. The committee will review student satisfaction surveys to identify areas for improvement, and will form action plans to address needs in a comprehensive, integrated way.

Goal 2.3 - The College will offer quality educational opportunities via multiple modes of delivery that address our students' varied learning styles.

- Objective 2.3.1: Excellence in the "classroom" will be achieved through assessment and course placement as well as innovative instructional techniques using technology, media, experiential education and distance learning.
- Objective 2.3.2: The College will address student learning styles, entry level skills and knowledge to meet the stated student learning outcomes.

Goal 2.4 - The College will review and improve its academic planning and evaluation processes.

- Objective 2.4.1: A distance education plan will be completed that includes policy suggestions and program recommendations to promote the offering of quality online instruction.

- Objective 2.4.2: The Strategic Enrollment Management Committee will complete a Strategic Enrollment Management Plan that will provide consistent review and evaluation upon which to make recommendations to the Strategic Planning Committee. Optimal program enrollments will be studied based on an agreed-upon definition of the concept of optimal.

- Objective 2.4.3: The Education Plan will be updated based on an analysis of 2009-2010 annual program reviews and external data collected. In addition, the update will provide for a new section on potential future programs based on external data and input, and the Student Services Plan will be folded into the Education Plan to produce an Educational Master Plan.

Strategic Direction III

Resources: The College will maintain responsible and effective management of institutional resources (human, financial, technology, facility).

Goal 3.1 - The College will recruit and retain quality employees and will provide sufficient staff to respond to its educational opportunities and achieve goals.

- Objective 3.1.1: The College will increase diversity awareness and sensitivity of faculty, staff, and students.

- Objective 3.1.2: All campus employees will be supported and encouraged to participate in campus-sponsored events, on- and off-campus.

- Objective 3.1.3: The College will develop a staffing plan that aims at recruiting and retaining high-quality employees, diversifying faculty and staff, and providing a succession plan to address the near- and short-term retirement vacancies of employees, as appropriate for institutional effectiveness and student success.

- Objective 3.1.4: Professional development opportunities with a focus on creating a supportive teaching and learning environment, as well as sustainability, will be developed.

- Objective 3.1.5: An analysis of student employment will be completed and a new plan and process for improving student employment practice will be developed.

Goal 3.2 - The College will develop financial resources adequate to support quality programs and services.

- Objective 3.2.1: Partnerships with the community will be formed to promote economic development and College vitality.

- Objective 3.2.2: The College will pursue grants to support its mission and to fulfill the goals and objectives of the strategic plan and the academic planning guidelines contained in the Education Plan.

- Objective 3.2.3: The College will implement the Strategic Enrollment Management Plan to maximize FTES apportionment revenue, and to bring new students to Plumas County.

- Objective 3.2.4: The College will update and enhance its budget practices to provide more clarity and confidence in budget committee review. The extra budget reviews will ensure financial resources are adequate to support quality programs and services.

- Objective 3.2.5: The College will work closely with the Feather River College Foundation to increase fundraising and community outreach.

- Objective 3.2.6: The College will demonstrate leadership in sustainable economic development by strengthening our strategic partnerships with business, local government, and other regional organizations.

Goal 3.3 - The College will enhance and maintain currency in technology usage and applications in support of student, faculty, and staff efficiency and operational effectiveness.

- Objective 3.3.1: Internal and external communication practices will be reviewed and improved so that students and community members will be more aware of campus opportunities.

- Objective 3.3.2: Policies and procedures for campus communication related to technology practices, training and resources will be developed and approved by the major governance groups.

- Objective 3.3.3: The College will provide comprehensive and responsive technology training to all campus constituents.

Goal 3.4 - The College will provide a safe, attractive, and accessible physical environment that enhances the ability to teach, learn, and work.

- Objective 3.4.1: The facilities committee will lead the necessary steps to complete a facilities master plan, which will include systematic upgrades to existing facilities.

- Objective 3.4.2: At least one initial project proposal or final project proposal will be submitted to the Chancellor's Office for placement in the state funding queue.

- Objective 3.4.3: The Safety Committee will further enhance policy and procedures related to emergency response and safety. These policies and procedures will be widely disseminated, and appropriate trainings conducted.

- Objective 3.4.4: To ensure safety, efficiency, effectiveness and a quality learning environment, as well as proper budget and staffing allocations, a plan for facility and equipment replacement/upgrades and general maintenance will be regularly updated.

- Objective 3.4.5: The College will explore the possibility of alternative funding sources to finance facility improvement and development.

- Objective 3.4.6: The College will continue to initiate and complete projects on, and adjacent to, campus that demonstrate a strong commitment to environmental health and sustainability and meet state and federal mandates regarding water quality, energy use, and solid waste reduction.

Goal 3.5 - To model sustainability through environmental stewardship, energy self-sufficiency, social responsibility, and the support of regional economic growth, the College will complete a Sustainability Management Plan informed by a Campus Carbon Audit and appropriate campus constituents.

- Objective 3.5.1: The College will complete an annual Campus Carbon Audit to track campus emissions and resource consumption. Results will be shared widely.

- Objective 3.5.2: The College will engage the surrounding communities in open dialogue about sustainability, sharing insights and models of responsible practice.

Strategic Direction IV

Leadership and Governance: The College will practice ethical and effective leadership, shared governance, and communication responsive to College and community change.

Goal 4.1 - The College will ensure the effectiveness of its ongoing institutional planning and budget allocation methods by regularly reviewing and modifying, if necessary, each part of its annual planning process.

- Objective 4.1.1: The institutional researcher will develop and utilize a consultation framework that includes input from all sectors of employees, the board of trustees, the Foundation, and the surrounding communities.

- Objective 4.1.2: Campus community meetings will be held to further clarify and demonstrate the links between campus planning (such as facilities planning) and the strategic plan.

Goal 4.2 - The College will create a culture of data-supported decision making and prioritizations based upon institutional research and campus input, aligned with the College mission and vision.

- Objective 4.2.1: The institutional research group and institutional researcher will identify data needs and set up processes to extract and update data on a regular basis.

- Objective 4.2.2: An institutional fact book will be developed, updated on a regular basis and used by program leaders in preparing program reviews, as well as by the Strategic Planning Committee and other committees in institutional planning.

- Objective 4.2.3: The College will ensure that all communication and planning processes (e.g., program review, marketing and outreach) include opportunities for regular assessment, discussion of effectiveness, and revision.

- Objective 4.2.4: College leaders will establish compliance calendars to ensure that state, federal and accreditation requirements are being met.

Goal 4.3 - The College will exercise leadership to ensure effective campus communication and appropriate participation in governance.

- Objective 4.3.1: The College will ensure collaboration among College committees and officers to identify and implement opportunities and strategies that will enhance communication between and among College constituents and the community.

- Objective 4.3.2: The College will implement events and steps to unite constituent groups around a shared vision for the College's unique identity.

- Objective 4.3.3: The College will ensure fair, equitable and consistent application of College policies and procedures related to employment.

- Objective 4.3.4: The College will ensure stabilization of the administration, implementation of administrative evaluations, and effective direction of administrators.

- Objective 4.3.5: The College will ensure that the Board of Trustees is appropriately oriented concerning, and involved in, accreditation standards and their implementation.

- Objective 4.3.6: The College will take steps to ensure adequate and appropriate opportunities exist for students' participation in governance.

Appendix A
Development of the 2010-13 Strategic Plan and Revised Mission Statement

The 2010-13 Strategic Plan is the product of approximately a year and a half of collective work. In a formal sense, the development of this new plan was initiated after the college adopted a revised planning process in the early fall of 2009. As you will see, however, many of the ideas represented in the plan had their origin much earlier, in the previous Strategic Plan, or in input collected during the 2008-09 year. The current plan was adopted by the Feather River Community College District Board of Trustees on August 19, 2010. Any updates to the plan will be posted at www.frc.edu.

The 2010-13 Strategic Plan, and the revised Mission Statement, are based on committee review of the following sources of information:

- Environmental Scan conducted in 2007-08 by Madrid Consulting under a grant from the California Community Colleges Chancellor's Office
- Plumas County Economic & Demographic Profile 2008, 2009 by Center for Economic Develop of CSU, Chico Research Foundation
- Annual Student Satisfaction Surveys Spring 2008, Spring 2009
- Title IX Gender Equity Review conducted by Good Sports Inc. in 2008-09
- Athletic Program Review conducted by California Community Colleges Athletic Association, Spring 2009
- Confidential Employee Survey conducted by ModernThink LLC in Spring 2009 (n = 98 respondents out of 207 distributed)
- Campus Climate Survey by Political Science 140 class, Fall 2009 (n = 277 respondents out of total population of 1,743)
- Historical enrollment data since 2005
- Student success data per MIS Data Mart, Student Right to Know reports, and IPEDS reports (U.S. Federal "Integrated Postsecondary Education Data System").
- Surveys of Institutional Student Learning Outcomes conducted in May 2009
- Staff vision exercise in January 2009
- Student focus groups and survey using vision exercise categories, April-May 2009
- Annual Program Reviews submitted by all college departments by Oct. 31, 2009
- Comprehensive Program Reviews
- Additional visioning exercise with all staff in January 2010, using fresh categories applicable to SEM planning, program planning and quality improvements to FRC
- Input from community forums conducted in Quincy, Chester, Greenville and Portola during 2009-10

Additionally, prior to formulation of the first draft of the revised Mission Statement and the first draft of the new Strategic Plan, several of the above data inputs were reviewed in summary form by all staff at campus meetings.

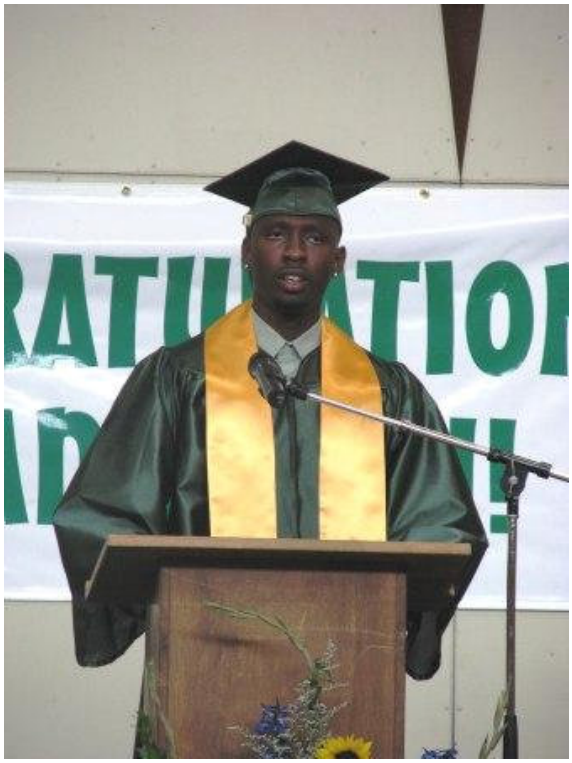
The process of developing the 2010-13 Strategic Plan began formally with the implementation of a revised planning process (AP 3250) in early fall, 2009. Under the new planning cycle, the Strategic Plan is to be reviewed and revised every three years, and the Strategic Planning Committee determined that the 2009-10 academic year would be "Year One" of this cycle.

In practical terms, however, the impetus for changes to the college's Strategic Plan came earlier. In Fall 2008, the Strategic Planning Committee and the new Superintendent/ President conducted a careful review of the existing 2007-2010 Strategic Plan, and after

collaboration with the college's constituency groups, a revised Strategic Plan for 2008-2011 was approved by the Board of Trustees in December, 2009. Immediately following this review and revision process, the Superintendent/President conducted a vision exercise with college staff on Institutional Day in January, 2009, intended as the initial basis for a long-term vision of the college's future development. An ad hoc subcommittee of the Strategic Planning Committee digested the input received from this vision exercise, organizing it into categories which were then used as the basis for surveying students and student focus groups in April and May of 2009, and as the basis for community forums held in Quincy, Chester, Greenville and Portola over the following months. The ideas and responses collected from these forums formed a key part of the basis for a fresh revision of the Strategic Plan during the 2009-10 year.

After revising the planning process itself in Spring 2009 and early Fall 2009 (approved by the Board of Trustees on September 17, 2009), in Fall 2009 the Strategic Planning Committee set about a fresh review as called for under the new process. The Strategic Planning Committee delegated revision of the Mission and Vision statements to an ad hoc committee organized by the Academic Senate. The Strategic Planning Committee itself reviewed sample strategic plans from other institutions during the Fall 2009 semester and the first part of the Spring 2010 semester. The Committee became well acquainted with the college's needs through a thorough, tiered review of departmental Annual Program Reviews submitted in October, and also through reviewing the various surveys, forums and data sources listed above. The Strategic Planning Committee organized a subcommittee for initial drafting, and later re-drafting. The Strategic Planning Committee as a whole reviewed and made changes to drafts before they were shared with the campus community or the Board of Trustees.

After the drafting committee for the Mission and Vision statements finished its work on a first draft of a new Mission Statement in April 2010, and after the Strategic Planning Committee completed its work on a first draft of a new Strategic Plan in March 2010, all staff were allowed the opportunity to submit individual responses and suggestions on both documents during the April 1 – 15 period, and a campus meeting was held to review the draft plan. Many suggestions and questions were received from individual staff. The same drafts were presented to the Board of Trustees for preliminary review as well. In the latter part of April, the Strategic Planning Committee made adjustments to the Strategic Plan draft based on the input received, which included a first review by the Associated Students of FRC, the Classified Senate, and the Academic Senate.



On May 6, after the Strategic Planning Committee had made significant revisions based on the input received both from individuals and from the constituency groups, the Superintendent/President issued a revised version of the draft plan to the campus community, along with a summary of the comments received to date, and responses to common questions based on the initial draft. This new draft of the Strategic Plan, and a revised draft of the Mission Statement, were reviewed by Cabinet on May 6, approved by the Classified Senate on May 13, and approved by the Academic Senate on May 20. Cabinet confirmed its approval in early June 2010. The Board of Trustees reviewed the resulting final draft at their annual planning retreat on June 28, in preparation for adoption at their August 19, 2010, meeting.

Appendix B
Planning Assumptions, and Relation to Other Plans

The 2010-13 Strategic Plan is a revision and update to its immediate predecessor, the Feather River College 2008-2011 Strategic Plan, which was itself a revised version of the 2007-2010 Strategic Plan.

Base assumptions for 2010-2013 Strategic Plan begin with the information and goals in the college's 2007-2011 Education Plan—which is a long-term master plan, rather than a short-term, working plan as the Strategic Plan is intended to be. As a key working assumption during the formulation of the 2010-2013 Strategic Plan, the college's Strategic Planning Committee considered the existing Education Plan as a general, long-term guiding document, with base assumptions and long-term goals that continue in force.

Relationship of the Strategic Plan to Other Plans: In the early fall of 2008, the new Superintendent/President provided to the Strategic Planning Committee a set of "Strategic Planning Notes, Assumptions & Guidelines," intended to clarify how the strategic planning process should operate, and how the various college plans reinforce each other. In this document, the Superintendent/President indicated his assumption that "The Strategic Plan is the central organizing plan of the college, driving actions annually and assisting staff in coordinating efforts toward the improvement of instruction and services." The Strategic Plan was distinguished from the college's master plans: "College master plans are longer and grander in scope than is the Strategic Plan, and provide a groundwork and guiding principles for the development of each Strategic Plan." These two kinds of plans are thus both distinct and inter-related. And they are different in time-scope: as the guidelines stated, "Generally speaking, master plans are expected to be ten years or longer in scope," whereas "The Strategic Plan contains goals, which are approximately three years in scope (i.e., each goal should be achievable within three years)." In the new Strategic Plan 2010-13, due to the fact that the Strategic Planning Committee chose to organize the new plan around the ACCJC Accreditation Standards, the four larger "strategic directions" are certainly long-term in their scope, and some of the goals subsumed under them are open-ended and therefore inherently long-term. Nevertheless, many of the goals and all of the objectives intended to implement the goals are framed as achievable within the three-year scope of the plan as a whole.

Updating of the Education Plan, and Other Master Plans: From the beginning of the process of developing the 2010-13 Strategic Plan, it was understood that the Education Plan would eventually need updating based on new information, and also to take into account the work done to develop a new Student Services Plan in 2008-09, as well as the research and study done by the Strategic Enrollment Management Committee in 2008-09 and 2009-10 toward a multi-year Strategic Enrollment Management Plan. Moreover, during the year-and-a-half process leading to the 2010-13 Strategic Plan, the college has also been engaged in reviewing and reformulating its Mission and Vision Statements. At the time of this writing, a new Mission Statement is being proposed to the Board of Trustees; this revision will need to be taken into account in an updated Education Plan as well. Meanwhile, the college is engaged in formulating a Facilities Master Plan for the campus (see Strategic Plan objective 3.4.1), and will develop or update other long-term plans as needed (staffing/EEO per objective 3.1.3, technology, matriculation, etc.).

The continuing aim of the Strategic Planning Committee over the last year has been to update the Education Plan and consolidate the Education Plan and Student Services Plan into a new Educational Master Plan. Prior to

beginning this task, however, the Committee chose to focus first on developing a new Strategic Plan under the new planning process, within the guiding assumptions of the Education Plan and utilizing new data and new staff and community input. In the event that any of the new information motivated a significant revision to the Education Plan or the Student Services Plan, these changes would be proposed—but as the work progressed, it became increasingly clear that no immediate revision to the Education Plan or the Student Services Plan would be needed until the consolidation was attempted. Thus, the information and long-term goals presented in the 2007-2011 Education Plan remain the initial base for the new Strategic Plan.

Modifications and Flexibility: The college's planning process (as framed in AP 3250) acknowledges that flexibility is important to effective planning and that modifications to the Strategic Plan may be necessary—especially given the volatile nature of state funding in recent years. One of the key operating assumptions in the college's planning process, therefore, is that once the overall plan is approved by the Board of Trustees, a specific action plan for each objective in the plan will be formulated, including timeline, cost, and assignment of responsibility. It is expected that by the time these action plans are completed, the state budget for 2010-11 will have been adopted, thus enabling the college to finalize its own budget for the year and providing college staff with the information necessary for decisions on feasibility of any objectives requiring additional funding. If any objectives should appear to be not feasible immediately, the timeline for their implementation will be adjusted. If changes in circumstances are so dramatic as to call for the complete non-implementation of a particular objective within the 2010-13 time-span, a modification to the Strategic Plan will be discussed with the campus community and proposed to the Board of Trustees, per AP 3250.

Long-term Master Plan Goals: The 2007-11 Education Plan presents several over-arching, long-term goals for the college, focused on the general areas of *Quality Education, Diverse Educational Objectives, Quality Student Services Programs,* maintaining the breadth of classes needed for a *Comprehensive General Education,* maintaining an appropriate balance between *Liberal and Vocational Studies*, and developing *Student Learning Outcomes* (*Education Plan 2007-2011*, pp. 2-4).

Planning Assumptions: The Education Plan also presents several general assumptions, and the demographic data on which these were based (*Education Plan 2007-2011*, pp. 5-14). The Education Plan's demographic assumptions included the general recognition that to satisfy the educational needs of a changing population, the college would need to engage in "ongoing review of course offerings and methods of delivery." The plan noted that Plumas County had been experiencing a decline in traditional school-age children, a relative increase in the retirement-age population, increases in the Hispanic population, and relative increases in the eastern part of the county, as well as in the Lake Almanor basin. Course offerings and methods would need to change to address these population changes. The plan also acknowledged the growing importance of the Internet as a delivery mechanism and means of communication.

The Education Plan postulated that intercollegiate sports would continue to play a large role at the college, and that accordingly, college planning and resource allocation would need to take into account the likely continuing variation in enrollment between fall and spring semesters due to the transfer patterns of students in sports programs, and the concomitant variation in demand for student housing, as well as the fiscal implications of the "Good Neighbor Policy" between Nevada and California.

The Education Plan also placed emphasis in its assumptions on the importance of the college's specialized programs (such as Equine Studies, Outdoor Recreation Leadership and Environmental Studies) in their ability to draw students to the college. Likewise, the plan emphasized the need for the college to maintain the quality and breadth of its academic programs, to ensure student persistence at the college beyond the first year.

The final major assumption of the Education Plan was that the continuing uncertainty of significant social and environmental concerns such as an unstable economy and climate change would motivate "constant attention and adaptive planning." In the wake of the 2008 recession, with its severe impact on California's economy and tax revenues, the plan's note about an "unstable economy" appears strikingly prescient.

Generally, the assumptions of the Education Plan remain in force. Plumas Unified School District enrollments and numbers of graduates have continued a steady decline, for example (a 4.4% decline per year in overall enrollment from 2006-07 through 2009-10—source: PUSD *Annual Report 2009-10*), so the college continues to assume that it needs to recruit students aggressively from outside Plumas County. Technological change continues in the direction envisioned; the college's specialized programs remain important in drawing students to the college, as do the athletic programs. Student learning outcomes remains an area of focus for the college, for the same reasons as in 2007, but a great deal of activity since then has resulted in a comprehensive SLOAC development timetable, which is reinforced and renewed in the 2010-13 Strategic Plan.

Changes to a few elements in the Education Plan assumptions have been considered in the development of the 2010-13 Strategic Plan as well, however. Overall enrollment has increased dramatically in the last two years, from a level of just under 1500 full-time equivalent students (FTES) for the 2007-08 year, to 1792 FTES for the 2008-09 year, and dramatically higher initial numbers for the 2009-10 year (until the cuts to state funding enforced an artificial enrollment ceiling of 1559 FTES for 2009-10 and 2010-11; final FTES for 2009-10 were 1563 as of July). The increases were partly the result of effective student recruitment leading into the 2007-08 and 2008-09 years, but the dramatic downturn in the national and regional economies in 2008-09 undoubtedly also played a role in these enrollment increases. The local economy experienced a shock in Spring 2009 with the closure of one half of the Sierra Pacific Industries mill in Quincy, and later in the same year a temporary closure of the Collins Pine mill in Chester. These events drove additional students to the college for retraining and further education. Collectively, these forces have continued to put pressure on enrollment with larger enrollments per class section than experienced historically. These pressures resulted in several distinct adjustments for the college:

❖ In 2008-09, recognizing that it was going to grow beyond the 1500 threshold for Good Neighbor enrollment of Nevada residents (above this threshold, the district can only claim California state apportionment for 100 Good Neighbor FTES), the college developed a strategy that was implemented for the 2009-10 year, limiting Good Neighbor registration and enforcing out-of-state tuition levels for Nevada residents beyond a certain level.

❖ Heading into the 2009-10 year, the State budget reduced state allocations to community colleges by 8%. Much of this budget reduction was taken in categorical student services programs. Included in the reduction, however, was a statewide reduction in enrollment "workload," i.e., the college's enrollment cap was lowered by 3.39%, to a total fundable enrollment level of 1559 FTES. Since the adoption of the 2009-10 budget in July 2009, the college has been engaged in cutting back class offerings so as to bring costs in line with the reduced apportionment level.

❖ Both as part of the 2009-10 Budget Act, and as a request/recommendation from the state Chancellor, a lower priority was set on courses and enrollments that could be identified as essentially avocational and activity-oriented (as opposed to transfer-oriented curriculum, vocational training, or basic skills offerings). This directive resulted in the college withdrawing apportionment-funded enrollment from Feather River Fitness and Recreation, the fitness center operated by the Feather River College Foundation, for the 2008-09 and 2009-10 years, and for the foreseeable future. The District proposed to renegotiate its related agreement with the Foundation, with the result that effective in July 2010, the District will operate Feather River Fitness and Recreation as a community education center. Similar, smaller reductions in avocational, activity-oriented course offerings have been implemented in other segments of the college's offerings, and this priority directive is expected to continue as a factor in college planning henceforth.

❖ The 2008 recession has escalated the chronic uncertainty in the state budgeting process, and economic forecasts continue to indicate a significant downturn in state tax revenues for several years (the Legislative Analyst's Office, for example, projects depressed tax revenues at least through 2015). This gloomy projection, along with the attendant continued volatility of state apportionment, is in itself a new planning assumption for the college, and has been taken into account in the formulation of the 2010-13 Strategic Plan, as well as in the college's continuing work on thorough linkage between the planning and budgeting processes.

❖ As noted above, in the development of the 2010-13 Strategic Plan, the college received significant input not only from staff, but also from community members. Included in the input from the community was a renewed encouragement of the college's outreach to the various population centers in the college's service area. This factor has been taken into account in the formulation of the new Strategic Plan, as well as in the revised Mission Statement and the work toward a new Vision Statement. The environmental scan conducted by Madrid Consulting on behalf of the California Community Colleges Chancellor's Office in 2007-08 reinforced this strategic goal, and provided additional context for the 2010-11 Strategic Plan.

❖ Included in the input from college staff was a new emphasis on student responsibility and addressing the needs of "the whole student." This emphasis had also surfaced in the formulation of the Student Services Plan and the Matriculation Plan, in budget reduction discussions in Spring and Summer 2009, and in Academic Senate discussions concerning counseling/advising. Accordingly, it has been represented in the 2010-13 Strategic Plan.

❖ Annual Student Satisfaction Surveys have indicated increasing dissatisfaction among students with the Feather River College Residence Halls, with marked emphasis in both Spring 2009 and Spring 2010. The Associated Students of Feather River College (ASFRC) published articles critical of the condition of the Residence Halls in their newsletter during the Spring 2010 semester. Need for dependable student housing has been noted as a planning assumption in the past, and due to the deteriorating condition of the Residence Halls in recent months, as well as the input from ASFRC, it has been given renewed attention in the concluding months of development of the 2010-13 Strategic Plan. As of August 2010, the District is in discussions with the Feather River College Foundation with the aim of the District operating the Feather River College Residence Halls under a management services agreement.

❖ In Spring 2008, the college determined to adopt Sungard Higher Education's Banner database system as its comprehensive enterprise system. This decision initiated a year-long training and implementation process, which continues in 2010 and which is likely to influence allocations of resources as well as staff time and attention for a significant portion of the 2010-13 time period. During the process of implementation, staff have learned about needed improvements to business processes. Similar recommendations for process improvements have been received from the District's auditor during recent annual audits.

❖ In Spring 2009, the college's regular midterm accreditation review resulted in a sanction of "warning," due to a failure to resolve previous recommendations concerning integrated planning and budgeting, program review, institutional data and research, and course outlines and student learning outcomes. These recommendations have been a significant focus of attention in the last year, and have served as a new set of planning assumptions in their own right.

❖ In the Education Plan, the college recognized the need to factor Title IX (gender equity) compliance into its planning, especially for athletics—but since the formulation of the Education Plan, the college contracted with Good Sports Inc. to conduct an additional, comprehensive Title IX review (completed in February 2009), and the college's athletic programs were reviewed comprehensively by the California Community College Athletic Association in Spring 2009. From these reviews, the college received a number of recommendations, and is in the process of implementing them.

❖ At the initiative of the Superintendent/ President and in response to input he received on assuming office, a third-party confidential survey of employees was conducted in Spring 2009 by ModernThink LLC as part of the *Great Colleges to Work For* program of the *Chronicle of Higher Education.* The resulting report, received in July 2009, presented findings indicating employee dissatisfaction in areas of fairness and consistency of application of college policies, learning environment, communication, and administration/ supervision. The findings of this survey were taken into consideration in formulating the 2010-13 Strategic Plan.

❖ During the course of the development of the 2010-13 Strategic Plan, a Sustainability task force was formed, a Sustainability Coordinator was hired with SB 70 funds, and a quorum of interest arose in the campus community toward developing a strategic direction for the college in the area of sustainability. In the end, the campus community felt that this strategic direction should be approached incrementally, and it has accordingly been addressed in the Strategic Plan in this way.

❖ Finally, it is important to note that the Superintendent/President has encouraged staff to seek grant funds to develop new instructional breadth and capacity at the college, and to formulate plans for new program development in anticipation of eventual availability of funding for enrollment growth. The Superintendent/President's encouragement of these efforts to date has been guided by the program development principles ensconced in the Education Plan. One new development since 2007 that has led to a number of possible avenues for program development in the realm of career technical education has been the college's securing and implementing a CTE grant of SB 70 funds, as well as second and third tier grant renewals. This work on program development, together with any new opportunities secured by college staff in the coming three years, will provide a new context for updating the Education Plan (see objective 1.1.6 in the 2010-13 Strategic Plan).

2011-2012 BUDGET PROPOSAL

RESPONSIBILITY: CFO/DIRECTOR OF BUSINESS SERVICES

FUND CODE: 1100 GENERAL - UNRESTRICTED
ORGANIZATION CODE: 40080 FOOD SERVICES
PROGRAM CODE: 694000 FOOD SERVICES

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

ACCOUNT CODE	ACCOUNT TITLE (Please provide specific detail supporting *Proposed Budget Request*.)	Strategic Planning Goals & Objectives Policy Area (If Applicable)	2009-10 ENDING BUDGET	2009-10 ACTUAL	2010-11 ADJUSTED FINAL BUDGET	2011-12 PROPOSED BUDGET REQUEST
2125	Classified Hourly Temp 5200.40080.2125.694000		56,000	57,660.00	56,000	56,000
2335	Non-Inst Student 5200.40080.2335.694000		27,580	31,338.00	27,580	32,540
3000	Fringes 5200.40080.3000.694000		8,031	-	8,031	8,150
3121	STRS Classified Other 5200.40080.3121.694000		-	3,825.27	-	-
3221	PERS Classified Other 5200.40080.3221.694000		-	39.32	-	-
3321	FICA Classified Other 5200.40080.3321.694000		-	598.93	-	-
3341	Medicare Classified Other 5200.40080.3341.694000		-	836.00	-	-
3521	Unemployment Classified Other 5200.40080.3521.694000		-	173.01	-	-
3621	Workers Comp Classified Other 5200.40080.3621.694000		-	1,779.96	-	-
4325	Non-Instructional Supplies 5200.40080.4325.694000		66,739	(1,525.00)	71,039	74,500

5020	Dues and Memberships 5200.40080.5020.694000	188	-	188	235
5075	Repairs - Equipment 5200.40080.5075.694000	2,000	-	2,000	2,000

Strategic Planning Goals & Objectives 2010 - 2013

Strategic Direction I: Institutional Effectiveness

Strategic Direction II: Student Learning

Strategic Direction III: Resources

Strategic Direction IV: Leadership and Governance

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

ACCOUNT CODE	ACCOUNT TITLE (Please provide specific detail supporting *Proposed Budget Request*.)
7335	Child Center Fund 1100.40230.7335.731000

Strategic Planning Goals & Objectives 2010 - 2013

Strategic Direction I: Institutional Effectiveness

Strategic Direction II: Student Learning

Strategic Direction III: Resources

Strategic Direction IV: Leadership and Governance

2011-2012 BUDGET PROPOSAL

RESPONSIBILITY: CFO/DIRECTOR OF BUSINESS SERVICES

FUND CODE: **1100 GENERAL - UNRESTRICTED**
ORGANIZATION CODE: **40230 CHILD CENTER FUND**
PROGRAM CODE: **731000 CHILD CARE MATCH**

Strategic Planning Goals & Objectives Policy Area (If Applicable)	2009-10 ENDING BUDGET	2009-10 ACTUAL	2010-11 ADJUSTED FINAL BUDGET	2011-12 PROPOSED BUDGET REQUEST
	58,965	58,965.00	58,965	58,965

2011-2012 BUDGET PROPOSAL

RESPONSIBILITY: CFO/DIRECTOR OF BUSINESS SERVICES

FUND CODE: **1100 GENERAL - UNRESTRICTED**
ORGANIZATION CODE: **40070 DUPLICATING SERVICES**
PROGRAM CODE: **694000 DUPLICATING SERVICES**

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

ACCOUNT CODE	ACCOUNT TITLE (Please provide specific detail supporting *Proposed Budget Request*.)	Strategic Planning Goals & Objectives Policy Area (If Applicable)	2009-10 ENDING BUDGET	2009-10 ACTUAL	2010-11 ADJUSTED FINAL BUDGET	2011-12 PROPOSED BUDGET REQUEST
4325	Non-Instruction Supplies 1100.40070.5071.679500		16,611	8,832.69	16,611	16,611
5071	Equipment Leases and Rentals 1100.40070.5071.679500		35,760	34,269.52	35,760	35,760
5100	Employee Travel Expenses 1100.40070.5100.679500		500	-	500	500

Strategic Planning Goals & Objectives 2010 - 2013

Strategic Direction I: Institutional Effectiveness
Strategic Direction II: Student Learning
Strategic Direction III: Resources
Strategic Direction IV: Leadership and Governance

2011-2012 BUDGET PROPOSAL

RESPONSIBILITY: CFO/DIRECTOR OF BUSINESS SERVICES

FUND CODE: **1100 GENERAL - UNRESTRICTED**
ORGANIZATION CODE: **40020 AUDIT RESOLUTION**
PROGRAM CODE: **672100 AUDIT RESOLUTION**

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

ACCOUNT CODE	ACCOUNT TITLE (Please provide specific detail supporting *Proposed Budget Request* .)	Strategic Planning Goals & Objectives Policy Area (If Applicable)	2009-10 ENDING BUDGET	2009-10 ACTUAL	2010-11 ADJUSTED FINAL BUDGET	2011-12 PROPOSED BUDGET REQUEST
5041	Audits 1100.40020.5041.672100		79,930	79,930.00	58,020	58,020

Strategic Planning Goals & Objectives 2010 - 2013

Strategic Direction I: Institutional Effectiveness
Strategic Direction II: Student Learning
Strategic Direction III: Resources
Strategic Direction IV: Leadership and Governance

2011-2012 BUDGET PROPOSAL

RESPONSIBILITY: CFO/DIRECTOR OF BUSINESS SERVICES

FUND CODE: **1100 GENERAL - UNRESTRICTED**
ORGANIZATION CODE: **42010 UTILITIES**
PROGRAM CODE: **657000 UTILITIES**

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

ACCOUNT CODE	ACCOUNT TITLE (Please provide specific detail supporting *Proposed Budget Request*.)	Strategic Planning Goals & Objectives Policy Area (If Applicable)	2009-10 ENDING BUDGET	2009-10 ACTUAL	2010-11 ADJUSTED FINAL BUDGET	2011-12 PROPOSED BUDGET REQUEST
5110	Propane & Heating Oil 1100.42010.5110.657000		25,590	21,222.78	25,950	28,650
5111	Light and Power 1100.42010.5111.657000		279,110	279,174.86	274,110	305,200
5112	Garbage and Trash 1100.42010.5112.657000		33,450	14,226.19	33,450	33,450
5114	Telephone 1100.42010.5114.657000		20,200	22,014.15	23,700	23,700
5115	Sewer Use 1100.42010.5115.657000		16,680	14,785.15	16,680	18,300

Strategic Planning Goals & Objectives 2010 - 2013

Strategic Direction I: Institutional Effectiveness
Strategic Direction II: Student Learning
Strategic Direction III: Resources
Strategic Direction IV: Leadership and Governance

2011-2012 BUDGET PROPOSAL

RESPONSIBILITY: CFO/DIRECTOR OF BUSINESS SERVICES

FUND CODE: 1100 GENERAL - UNRESTRICTED
ORGANIZATION CODE: 40010 FISCAL SERVICES
PROGRAM CODE: 672000 FISCAL SERVICES

FEATHER RIVER COMMUNITY COLLEGE DISTRICT

ACCOUNT CODE	ACCOUNT TITLE (Please provide specific detail supporting *Proposed Budget Request*.)	Strategic Planning Goals & Objectives Policy Area (If Applicable)	2009-10 ENDING BUDGET	2009-10 ACTUAL	2010-11 ADJUSTED FINAL BUDGET	2011-12 PROPOSED BUDGET REQUEST
2125	Short Term Sub / Hrly Temp 1100.40010.2125.672000		250	-	250	250
2335	Non-Inst Student 1100.40010.2335.672000		-	-	-	-
2340	Classified Overtime 1100.40010.2340.672000		225	-	225	225
3000	Fringes 1100.40010.3000.672000		80	-	80	80
4310	Instructional Supplies 1100.40010.4310.672000		-	-	-	-
4325	Non-Instructional Supplies 1100.40010.4325.672000		7,502	77,624.32	7,502	7,502
5020	Dues and Memberships 1100.40010.5020.672000		150	235.00	150	150
5030	Property Liability Insurance 1100.40010.5030.672000		148,595	146,905.00	161,595	161,595
5032	Student Accident Insurance 1100.40010.5032.672000		73,950	71,772.00	97,844	97,844
5040	Legal 1100.40010.5040.672000		31,000	26,719.38	46,000	46,000

5050	Consultants & Contracts 1100.40010.5050.672000	114,663	39,955.15	189,663	189,663
5060	Postage & Shipping 1100.40010.5060.672000	33,500	28,654.11	37,500	37,500
5070	Facilities Leases and Rentals 1100.40010.5070.672000	-	-	-	-
5071	Equipment Leases and Rentals 1100.40010.5071.672000	2,196	2,196.00	2,196	2,196
5075	Repairs - Equipment 1100.40010.5075.672000	-	-	-	-
5076	Maintenance Contracts 1100.40010.5076.672000	-	79,288.34	-	-
5100	Employee Travel Expenses 1100.40010.5100.672000	1,800	85.00	1,800	1,800
5112	Telephone 1100.40010.5112.672000	-	(0.01)	-	-
5940	Publishing Services 1100.40010.5940.672000	300	440.00	250	250
5955	Interest Expense 1100.40010.5955.672000	55,391	33,849.81	55,391	55,391
5990	Occupancy Guarantee Obligation 1100.40010.5990.672000	-	18,800.00	20,000	20,000
5991	Bank Expenses 1100.40010.5991.672000	-	531.10	-	-
5993	Finance Charges 1100.40010.5993.672000	-	7,725.00	-	-
5995	Bad Debts 1100.40010.5995.672000	-	326.61	720	720

5996	Uncollectible Accounts 1100.40010.5996.672000	-	9,451.14	-	-
5999	Other Operating Expenses 1100.40010.5999.672000	720	3,356.89	720	720
6120	Site Improvements 1100.40010.6120.672000	-	7,157.17	2,000	2,000
6410	Instructional Equipment 1100.40010.6410.672000	10,000	-	3,000	3,000
6415	Non - Instructional Equipment 1100.40010.6415.672000	9,000	-	3,000	3,000
7105	Long Term Debt 1100.40010.7105.672000	177,778	206,949.38	177,778	177,778
7115	Debt Interest and Other Svc Charges 1100.40010.7115.672000	50,817	3,173.79	43,317	43,317
7310	Interfund Transfers Out 1100.40010.7310.672000	329,197	114,283.27	296,359	296,359
7605	Maintenance Allowance 1100.40010.7605.672000	6,613	5,505.60	6,613	6,613
7910	Contingency Appropriations 1100.40010.7910.672000	-	-	5,000	5,000

Strategic Planning Goals & Objectives 2010 - 2013

Strategic Direction I: Institutional Effectiveness

Strategic Direction II: Student Learning

Strategic Direction III: Resources

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